

1 Robert V. Prongay (SBN 270796)
 2 *rprongay@glancylaw.com*
 3 Casey E. Sadler (SBN 274241)
 4 *csadler@glancylaw.com*
 5 Charles Linehan (SBN 307439)
 6 *clinehan@glancylaw.com*
 7 Garth Spencer (SBN 335424)
 8 *gspencer@glancylaw.com*
 9 GLANCY PRONGAY & MURRAY LLP
 10 1925 Century Park East, Suite 2100
 11 Los Angeles, California 90067
 12 Telephone: (310) 201-9150
 13 Facsimile: (310) 201-9160

14 *Counsel for Lead Plaintiff Hartmut Haenisch*

15 [Additional counsel on signature page]

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

18 IN RE STABLE ROAD
 19 ACQUISITION CORP. SECURITIES
 20 LITIGATION

Master File No.
 2:21-CV-5744-JFW(SHKx)

CLASS ACTION

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

DEMAND FOR JURY TRIAL

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- I. NATURE OF THE ACTION AND OVERVIEW 1
- II. JURISDICTION AND VENUE 4
- III. PARTIES 5
- IV. BACKGROUND REGARDING SRAC AND MOMENTUS..... 7
 - A. Special Purpose Acquisition Companies And Their Inherent Conflicts Of Interest 7
 - B. Background Of SRAC: A SPAC Focused On The Cannabis Industry 10
 - C. SRAC’s Management Faced Pressure To Complete A Qualifying Business Combination By The May 13, 2021 Deadline..... 13
 - D. Background Of Momentus: A Space Industry Startup With No Revenue 17
 - E. Momentus’s Need For Cash Gave Its Management An Incentive To Conceal Problems That Might Prevent A Merger With SRAC 18
- V. UNDISCLOSED ADVERSE FACTS KNOWN TO DEFENDANTS DURING THE CLASS PERIOD 19
 - A. The U.S. Government Determined That Momentus’s Russian CEO Was A National Security Risk..... 19
 - B. Momentus’s Only Test Of Its Technology In Space Was A Failure 25
 - C. Momentus’s Wildly Excessive Revenue Projections Ignored Its National Security Risks And Unproven Technology 28
 - D. SRAC Failed To Conduct Adequate Due Diligence 29
- VI. DEFENDANTS MISLED INVESTORS TO GAIN SUPPORT FOR THE MERGER 32
 - A. Defendants Announce The Merger Agreement And Misleadingly Hype Momentus’s Prospects 32

1 B. Defendants Aggressively And Misleadingly Promoted The
 2 Proposed Merger Following Its Announcement.....34

3 VII. THE TRUTH EMERGES, CAUSING SRAC’S STOCK PRICE TO
 4 PLUMMET 36

5 A. January 4, 2021 Disclosures Regarding Launch Delay37

6 B. January 25, 2021 Disclosures Regarding Kokorich’s Resignation38

7 C. March 8, 2021 Disclosures Regarding Governmental
 8 Investigations.....39

9 D. May 4, 2021 Disclosures Regarding Loss Of Customers.....41

10 E. May 24, 2021 Disclosures Regarding Further Launch Delays.....42

11 F. June 29, 2021 Disclosures Regarding Failed Technology Test
 12 And National Security Issues.....43

13 G. July 13, 2021 Publication Of The SEC Order And SEC
 14 Complaint48

15 VIII. DEFENDANTS MADE MATERIALLY FALSE AND MISLEADING
 16 STATEMENTS..... 50

17 A. Misleading Pre-Class Period Public Statements.....50

18 B. October 7, 2020 Merger Agreement Announcement52

19 C. October 13, 2020 Updated Investor Presentation.....59

20 D. November 2, 2020 Registration Statement.....59

21 E. November 17, 2020 Analyst Day Presentation.....67

22 F. December 14, 2020 Amended Registration Statement And
 23 Updated Investor Presentation.....67

24 G. January 4-5, 2021 Press Release And Interviews.....69

25 H. January 25, 2021 Press Release74

26 I. March 8, 2021 Amended Registration Statement.....75

27

28

1 J. April 7, 2021 Preliminary Proxy Statement And Updated
2 Investor Presentation 77

3 K. May 4-5, 2021 Updated Investor Presentation 80

4 L. June 29, 2021 Amended Registration Statement..... 82

5 IX. ADDITIONAL SCIENTER ALLEGATIONS..... 82

6 A. SRAC And The SRAC Individual Defendants Knew Or
7 Recklessly Disregarded The Falsity Of Their Statements..... 83

8 B. Momentus And The Momentus Individual Defendants Knew Or
9 Recklessly Disregarded The Falsity Of Their Statements..... 86

10 X. LOSS CAUSATION..... 91

11 XI. CLASS ACTION ALLEGATIONS 91

12 XII. APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-
13 ON-THE-MARKET DOCTRINE)..... 93

14 XIII. NO SAFE HARBOR 95

15 XIV. CAUSES OF ACTION..... 96

16 XV. PRAYER FOR RELIEF 103

17 XVI. JURY TRIAL DEMANDED..... 103

18

19

20

21

22

23

24

25

26

27

28

EXHIBIT LIST

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1 – Securities and Exchange Commission Order Instituting Cease-And-Desist Proceedings In the Matter of Momentus, Inc. (July 13, 2021) (the “SEC Order”)

Exhibit 2 – Complaint in the matter of *Securities and Exchange Commission v. Mikhail Kokorich*, Case No. 1:21-cv-1869 (D.D.C. July 13, 2021) (the “SEC Complaint”)

Exhibit 3 – U.S. Department of Commerce, Bureau of Industry and Security, Export License Rejection Notice (Mar. 22, 2018), as filed in *SEC v. Kokorich*

Exhibit 4 – Letter from Counsel for Mikhail Kokorich to the U.S. Department of Treasury, Committee on Foreign Investment in the United States (June 24, 2018), as filed in *SEC v. Kokorich*

Exhibit 5 – Momentus email chain Re: “Need El Camino Real Failure Review Board” (Nov. 27, 2019), as filed in *SEC v. Kokorich*

Exhibit 6 – Momentus email chain Re: “Intent to Deny Notification from Commerce” (Nov. 12, 2020), as filed in *SEC v. Kokorich*

Exhibit 7 – Letter from U.S. Department of Defense, Office of Foreign Investment Review to the Securities and Exchange Commission (Jan. 13, 2021), as filed in *SEC v. Kokorich*

Exhibit 8 – Redlined version of the Amended Consolidated Class Action Complaint For Violations Of The Federal Securities Laws, dated November 12, 2021

1 Lead Plaintiff Hartmut Haenisch (“Plaintiff”), individually and on behalf of
2 all others similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon his personal knowledge. Plaintiff’s information and belief is based
5 upon, among other things, his counsel’s investigation, which includes without
6 limitation, review and analysis of: (a) regulatory filings made by Stable Road
7 Acquisition Corp. (“SRAC”) with the United States (“U.S.”) Securities and
8 Exchange Commission (“SEC”); (b) press releases and media reports issued by and
9 disseminated by SRAC and by Momentus Inc. (“Momentus”)¹; (c) an SEC cease
10 and desist order relating to SRAC and Momentus; (d) documents filed in litigation
11 initiated by the SEC relating to SRAC and Momentus; and (e) review of other
12 publicly available information concerning SRAC and Momentus.

13 **I. NATURE OF THE ACTION AND OVERVIEW**

14 1. This is a federal securities class action brought on behalf of persons and
15 entities that purchased or otherwise acquired SRAC securities between October 7,
16 2020 and July 13, 2021, inclusive (the “Class Period”), excluding Defendants,
17 seeking to recover compensable damages caused by Defendants’ violations of the
18 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the
19 Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated
20 thereunder. During the Class Period SRAC’s Class A common stock, public units,

21 ¹ After the end of the Class Period alleged in this Amended Complaint, on or about
22 August 12, 2021, pursuant to a business combination: (i) Stable Road Acquisition
23 Corp. acquired Momentus Inc., (ii) Momentus Inc. merged into a subsidiary of
24 SRAC named Project Marvel Second Merger Sub, LLC, and (iii) SRAC changed its
25 name to Momentus Inc. As used in this Amended Complaint, the terms Momentus
26 Inc. or Momentus refer to the corporation that existed by that name (and previously
27 by the name Space Apprentices Enterprise Inc.) prior to the business combination,
28 and the terms Stable Road Acquisition Corp. or SRAC refer to the corporation
known by that name prior to the business combination and currently known as
Momentus Inc.

1 and public warrants were publicly traded on the Nasdaq Capital Market under the
2 ticker symbols “SRAC,” “SRACU,” and “SRACW,” respectively.

3 2. SRAC, Momentus, and their directors and officers, materially misled
4 investors regarding Momentus’s business and future prospects in an attempt to gain
5 investor support for a proposed merger between SRAC, a special purpose
6 acquisition company (or “SPAC”) focused on the cannabis industry, and Momentus,
7 a privately owned space industry startup with no revenue.

8 3. SRAC had attempted to locate an appropriate cannabis/marijuana
9 related company to acquire as was its stated purpose but they were unable to locate
10 one prior to the May 13, 2021 deadline upon which SRAC would need to repay
11 \$172.5 million to shareholders if no successful merger was consummated. In order
12 to prevent this return of money and to enrich the Defendants, who stood to make
13 tens of millions of dollars from any merger, SRAC rushed to enter into the merger
14 with Momentus (even though Momentus was not in the cannabis industry). To
15 make sure that shareholders approved this last-minute deal, Defendants misleadingly
16 touted the proposed merger and Momentus’s prospects.

17 4. This was confirmed by the SEC itself when on July 13, 2021, the SEC
18 publicly detailed Defendants’ misconduct in: (i) a cease and desist order (the “SEC
19 Order,” attached hereto as Exhibit 1) against Defendants Momentus, SRAC, SRC-
20 NI Holdings LLC (the “Sponsor” of SRAC) and Brian Kabot (SRAC’s CEO); and
21 (ii) a civil complaint (the “SEC Complaint,” attached hereto as Exhibit 2) filed
22 against Defendant Kokorich.² According to the SEC Order and SEC Complaint,
23 Defendants had misleadingly touted the proposed merger and Momentus’s prospects
24 while failing to disclose that (i) multiple federal agencies had determined that
25

26 ² While the SEC is actively litigating its case against Defendant Kokorich, he fled
27 the country following his abrupt resignation in January 2021 amid increasing
28 governmental scrutiny of national security concerns relating to him.

1 Momentus’s then-CEO Defendant Kokorich, who is a citizen of Russia with ties to
2 the Russian government and who is not a citizen or legal permanent resident of the
3 United States, posed an unacceptable national security risk, (ii) Momentus had never
4 successfully tested its technology in space as claimed, (iii) as a result, Momentus’s
5 financial projections of immediate, explosive revenue growth were highly
6 misleading, and (iv) SRAC’s superficial due diligence of Momentus failed to
7 provide any reasonable basis for its public statements about the company.
8 Moreover, the SEC Order and Complaint explained that Momentus, SRAC, and
9 Kabot agreed to pay the SEC fines totaling over \$8 million, the Sponsor agreed to
10 give up SRAC stock potentially worth millions of dollars, and Defendants agreed to
11 allow certain investors to cancel agreements to purchase SRAC securities.

12 5. In a July 13, 2021 press release announcing the SEC Order and the
13 SEC Complaint, SEC Chair Gary Gensler specifically confirmed that Defendants
14 “misled the investing public” and that Stable Road had “fail[ed] to undertake
15 adequate due diligence to protect shareholders.” As Gensler explained:

16 This case illustrates risks inherent to SPAC transactions, as those who
17 stand to earn significant profits from a SPAC merger may conduct
18 inadequate due diligence and mislead investors . . . Stable Road, a
19 SPAC, and its merger target, Momentus, both misled the investing
20 public. The fact that Momentus lied to Stable Road does not absolve
21 Stable Road of its failure to undertake adequate due diligence to
22 protect shareholders. Today’s actions will prevent the wrongdoers
23 from benefitting at the expense of investors and help to better align
24 the incentives of parties to a SPAC transaction with those of investors
25 relying on truthful information to make investment decisions.

26 6. Although the SEC’s actions prevented Defendants from causing further
27 harm to investors, these actions came too late for the many investors who had
28 purchased SRAC securities during the October 7, 2020 to July 13, 2021 Class
Period. These investors paid excessive prices for SRAC securities, which prices
were artificially inflated throughout the Class Period by Defendants’ materially false
and misleading statements.

1 7. As a result of Defendants’ wrongful acts and omissions, and the
2 resulting precipitous decline in the market value of SRAC’s securities, Plaintiff and
3 other Class members have suffered significant losses and damages.

4 **II. JURISDICTION AND VENUE**

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

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

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

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

22 12. Defendant Kokorich is subject to personal jurisdiction because, among
23 other things, he lived and worked in the United States during the relevant period,
24 purposefully directed his business activities at the United States, and knowingly
25 provided statements for use in materials used to promote securities transactions in
26 the United States and to be used in SEC filings.

27
28

1 **III. PARTIES**

2 13. Lead Plaintiff Hartmut Haenisch, as set forth in the previously filed
3 certification (Dkt No. 46-2), incorporated by reference herein, purchased SRAC
4 securities during the Class Period, and suffered damages as a result of the federal
5 securities law violations and false and/or misleading statements and/or material
6 omissions alleged herein.

7 14. Defendant Stable Road Acquisition Corp. (“SRAC”) was a special
8 purpose acquisition company during the Class Period. SRAC was incorporated in
9 Delaware. During the Class Period SRAC maintained its principal executive offices
10 at 1345 Abbot Kinney Blvd. Venice, California 90291. During the Class Period,
11 SRAC Class A common stock, warrants and units traded on the Nasdaq Capital
12 Market under the symbols “SRAC,” “SRACW” and “SRACU,” respectively.

13 15. Defendant SRC-NI Holdings, LLC (“Sponsor”) served as the sponsor
14 of SRAC during the Class Period. The Sponsor was formed in Delaware as a limited
15 liability company. During the Class Period, the Sponsor’s principal place of
16 business was 1345 Abbot Kinney Blvd., Venice, California 90291.

17 16. Defendant Brian Kabot served as Chief Executive Officer and
18 Chairman of the board of directors of SRAC during the Class Period. During the
19 Class Period Kabot was a manager of the Sponsor, shared voting and dispositive
20 control over securities owned by the Sponsor, and was reported as beneficially
21 owning securities owned by the Sponsor. During the Class Period Kabot’s business
22 address was c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice,
23 California 90291.

24 17. Defendant Juan Manuel Quiroga served as Chief Investment Officer
25 and Secretary of SRAC during the Class Period. During the Class Period Quiroga
26 was a manager of the Sponsor, shared voting and dispositive control over securities
27 owned by the Sponsor, and was reported as beneficially owning securities owned by
28

1 the Sponsor. During the Class Period Quiroga's business address was c/o Stable
2 Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice, California 90291.

3 18. Defendant James Norris served as Chief Financial Officer and a
4 director of SRAC during the Class Period. During the Class Period Norris was
5 directly or indirectly a member of the Sponsor. During the Class Period Norris's
6 business address was c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd.
7 Venice, California 90291.

8 19. Defendant James Hofmockel served as a director of SRAC during the
9 Class Period. During the Class Period Hofmockel was directly or indirectly a
10 member of the Sponsor. During the Class Period Hofmockel's business address was
11 c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice, California
12 90291.

13 20. Defendant Momentus, Inc. was a privately owned space industry
14 startup that was an acquisition target of SRAC during the Class Period. Momentus
15 was incorporated in Delaware. During the Class Period Momentus's principal
16 executive offices were located at 3050 Kenneth St., Santa Clara, California 95054.

17 21. Defendant Mikhail Kokorich served as Chief Executive Officer and a
18 director of Momentus during the Class Period, until his resignation effective
19 immediately on or about January 25, 2021. During the Class Period Kokorich was a
20 major shareholder of Momentus until he sold his shares to Momentus on or about
21 June 8, 2021. During the Class Period Kokorich's business address, through at least
22 the time of his resignation, was c/o Momentus Inc., 3050 Kenneth Street, Santa
23 Clara, CA 95054.

24 22. Defendant Dawn Harms served as Chief Revenue Officer of Momentus
25 during the Class Period, until Kokorich's resignation effective immediately on or
26 about January 25, 2021, at which time Harms became interim CEO and a director of
27 Momentus. During the Class Period Harms's business address was c/o Momentus
28 Inc., 3050 Kenneth Street, Santa Clara, CA 95054.

1 23. Defendant Fred Kennedy served as President of Momentus during the
2 Class Period. During the Class Period Kennedy’s business address was c/o
3 Momentus Inc., 3050 Kenneth Street, Santa Clara, CA 95054.

4 24. Defendants Kabot, Quiroga, Norris, and Hofmockel are referred to
5 herein as the “SRAC Individual Defendants.”

6 25. Defendants Kokorich, Harms, and Kennedy are referred to herein as the
7 “Momentus Individual Defendants.”

8 26. The SRAC Individual Defendants and the Momentus Individual
9 Defendants are referred to herein as the Individual Defendants.

10 **IV. BACKGROUND REGARDING SRAC AND MOMENTUS**

11 **A. Special Purpose Acquisition Companies And Their Inherent**
12 **Conflicts Of Interest**

13 27. Special purpose acquisition companies, or SPACs, are publicly traded
14 companies with no business activities, formed specifically to acquire an existing
15 operating company. SPACs typically raise capital for the acquisition through an
16 initial public offering (“IPO”), and that capital is held in trust for a specific period of
17 time.

18 28. If a merger or acquisition is successfully made within the allocated time
19 frame, founders and managers of the SPAC can profit through their ownership of the
20 SPAC’s securities (typically about 20% of the SPAC’s stock, in addition to warrants
21 to purchase additional shares). However, if an acquisition is not completed within
22 that time frame, then the SPAC is dissolved and the money held in trust is returned
23 to investors, with no compensation paid to the founders and managers of the SPAC,
24 whose SPAC securities expire worthless. Accordingly, the founders and
25 management team of a SPAC are highly incentivized to complete an acquisition
26 within their deadline, even if the benefits of that transaction for the public
27 shareholders of the SPAC are dubious.

28

1 29. The process of an acquisition target company merging with a publicly
2 traded SPAC is in many respects similar to a traditional IPO, in that a previously
3 private company becomes publicly traded. However, SPAC transactions and IPOs
4 have certain key differences. In a traditional IPO banks underwrite the offering and
5 perform substantial due diligence in order to evaluate the company going public, to
6 formulate appropriate disclosures to prospective investors, and to accurately price its
7 securities. However, in a SPAC transaction there are no underwriters, and so the
8 amount of due diligence performed, and the disclosures surrounding this due
9 diligence, are solely determined by the SPAC and its controlling persons, who have
10 strong incentives to agree to, and gain shareholder approval for, an acquisition
11 regardless of its true merits.

12 30. Typically, common stockholders of a SPAC are granted voting rights to
13 approve or reject the business combination proposed by the management team.
14 Thus, when the management team identifies a target, a merger proxy statement must
15 be distributed to all SPAC stockholders, which includes the target company’s
16 financial statements and the terms of the proposed business combination. Public
17 stockholders in SPACs rely on management of the SPAC and the target company to
18 honestly provide accurate information about any contemplated transactions.

19 31. Amidst a recent boom in SPAC IPOs and acquisitions, SEC officials
20 have noted widespread concerns including “risks from fees, conflicts, and sponsor
21 compensation, . . . and the potential for retail participation drawn by baseless hype,”
22 and additional concerns regarding whether SPAC sponsors have “sufficient
23 incentives to do appropriate due diligence on the target and its disclosures to public
24 investors, especially since SPACs are designed not to include a conventional
25 underwriter.”³

26
27 ³ John Coates, Acting Director, SEC Division of Corporation Finance, Apr. 8, 2021,
28 SPACs, IPOs and Liability Risk under the Securities Laws, *available at*
(footnote continued)

1 32. Similarly, SEC Chair Gary Gensler recently testified to Congress, “the
2 surge of SPACs raises a number of policy questions. First and foremost, are SPAC
3 investors being appropriately protected? Are retail investors getting the appropriate
4 and accurate information they need . . . ?”⁴

5 33. Numerous other commentators have similarly noted the conflict of
6 interest between SPAC management and shareholders with respect to the
7 completion of a business combination. For example, in a paper forthcoming in the
8 Yale Journal on Regulation, law professors at Stanford and New York University
9 address “misaligned incentives inherent in the SPAC structure,” including that “the
10 sponsor has an incentive to enter into a losing deal for SPAC investors if its
11 alternative is to liquidate.”⁵ Based on empirical research of post-merger returns to
12 SPAC shareholders, that paper goes on to conclude that “SPAC sponsors have
13 proposed losing propositions to their shareholders, which is one of the concerns
14 raised by the incentives built into the SPAC structure. . . . [S]ponsors do quite well,
15 even where SPAC shareholders have experienced substantial losses.”

16 34. As noted by SEC Chair Gensler in his July 13, 2021 comments
17 accompanying the announcement of the SEC Order and the SEC Complaint against
18 Defendants, “[t]his case illustrates risks inherent to SPAC transactions, as those who
19 stand to earn significant profits from a SPAC merger may conduct inadequate due
20 diligence and mislead investors.” As set forth herein, SRAC and Momentus

21 _____
22 [https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under-](https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under-securities-laws)
23 [securities-laws.](https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under-securities-laws)

24 ⁴ Gary Gensler, May 26, 2021, Testimony Before the Subcommittee on Financial
25 *Services and General Government*, U.S. House Appropriations Committee,
available at <https://www.sec.gov/news/testimony/gensler-2021-05-26>.

26 ⁵ Klausner, Michael D. and Ohlrogge, Michael and Ruan, Emily, A Sober Look at
27 SPACs (Oct. 28, 2020) Yale Journal on Regulation, Forthcoming, *Available at:*
28 <https://ssrn.com/abstract=3720919>.

1 exemplify SPAC conflicts of interest because the Defendants were incentivized to,
2 and did, aggressively promote a proposed business combination between SRAC and
3 Momentum based on materially false and incomplete information that understated the
4 risks to Momentum’s business, overstated Momentum’s future prospects, and resulted
5 in a grossly excessive proposed valuation of Momentum, all of which artificially
6 inflated the prices of SRAC securities during the Class Period.

7 **B. Background Of SRAC: A SPAC Focused On The Cannabis**
8 **Industry**

9 35. During the Class Period, SRAC was a special-purpose acquisition
10 company, which was incorporated on May 28, 2019 for the purpose of effecting a
11 merger, capital stock exchange, asset acquisition, stock purchase, reorganization or
12 similar business combination with one or more businesses. SRAC operated from an
13 office in Venice, California.

14 36. SRAC filed its IPO prospectus (the “IPO Prospectus”), used to market
15 its shares to investors, with the SEC on November 8, 2019. On or about November
16 13, 2019, SRAC completed its IPO, selling 17,250,000 units at \$10.00 per unit and
17 generating gross proceeds of \$172.5 million. Simultaneously with the
18 consummation of the IPO, the Sponsor, which was SRAC’s sponsor and an affiliate
19 of certain of SRAC’s officers and directors, participated in a private placement of a
20 total 545,000 private placement units for \$10.00 per unit, generating additional gross
21 proceeds of \$5.45 million. The IPO and concurrent private placement resulted in net
22 proceeds of \$172.5 million placed in SRAC’s trust account. Following its IPO,
23 SRAC’s public units, Class A common stock and public warrants were publicly
24 traded on the Nasdaq Capital Market under the ticker symbols “SRACU,” “SRAC”
25 and “SRACW,” respectively.

26 37. During the IPO and afterwards, the directors and officers of SRAC,
27 who also controlled the Sponsor, held themselves out to investors as highly
28 experienced businesspeople, with successful track records in acquiring and growing

1 businesses. In particular, the directors and officers of SRAC held themselves out to
2 investors as highly experienced in the cannabis industry, which they repeatedly
3 stated would be SRAC’s focus for completing an acquisition.

4 38. From SRAC’s IPO and throughout the Class Period, SRAC had only
5 three officers: Defendants Kabot, Norris, and Chief Investment Officer Quiroga.
6 Apart from these three officers, SRAC had no employees.

7 39. At the time of its IPO SRAC had five directors: Defendant Kabot
8 (Chairman), Defendant Norris, Defendant Hofmockel, March Lehmann, and Kellen
9 O’Keefe. On December 23, 2019 Ann Kono joined SRAC’s board. SRAC’s board
10 consisted of these six members throughout the Class Period, apart from the
11 resignation of O’Keefe effective immediately on March 24, 2021.

12 40. SRAC was led by Defendant Kabot, who served as SRAC’s CEO and
13 Chairman since its inception. In the IPO Prospectus, SRAC repeatedly touted
14 Kabot’s investment experience, and in particular his investment experience in the
15 cannabis industry. For example, SRAC stated “Mr. Kabot is well qualified to serve
16 as a director due to his extensive investing and advisory experience in the cannabis
17 industry.”

18 41. SRAC similarly touted the cannabis industry experience of directors
19 O’Keefe and Lehmann, stating in the IPO Prospectus that “Mr. Lehmann is well
20 qualified to serve as a director due to his extensive investing and advisory
21 experience in the cannabis industry,” and describing Lehmann’s roles as an officer
22 in two cannabis industry companies.

23 42. SRAC also touted the investment experience of Defendants CFO
24 Norris, Chief Investment Officer Quiroga, and director Hofmockel. SRAC stated in
25 the IPO Prospectus that “ Mr. Norris is well qualified to serve as a director due to
26 his extensive investment management experience,” and similarly stated that “Mr.
27 Hofmockel is well qualified to serve as a director due to his extensive investing and
28 advisory experience.” SRAC touted Defendant Quiroga’s “over 20 years of

1 experience in the financial sector.” After Kono joined the board, SRAC told
2 investors that “Ms. Kono is well qualified to serve as a director due to her extensive
3 advisory experience.”

4 43. The IPO Prospectus did not disclose, for any of its directors or officers,
5 any experience with satellites, the space industry, engineering, national security
6 regulations, or any related matters. SRAC’s directors and officers had no
7 meaningful experience in these subjects.

8 44. In its IPO Prospectus, SRAC repeatedly emphasized that its business
9 strategy and source of competitive advantage would be a focus on the cannabis
10 industry. For example SRAC stated, “[o]ur strategy is to pursue one or more
11 business combinations with companies servicing and operating adjacent or ancillary
12 to, the cannabis sector but which are not directly involved in the production,
13 distribution and sale of cannabis (i.e. businesses that ‘touch the plant’).” SRAC
14 likewise stated, “[w]hile we may pursue an initial business combination target in
15 any business or industry, we intend to focus our search on companies in the
16 cannabis industry.”

17 45. SRAC assured investors that it believed its management team “is well
18 positioned to identify and evaluate businesses within the cannabis sector that would
19 benefit from their skills and access to the public markets,” and that its management
20 team offers “a deep network of contacts, in the cannabis sector.” SRAC further
21 stated that “Mr. Kabot and Mr. Quiroga have, in the aggregate, executed over 20
22 transactions within or ancillary to the cannabis sector and have been responsible for
23 investing over \$150 million within or ancillary to the cannabis sector since July
24 2017.”

25 46. The IPO Prospectus mentions “cannabis” 281 times, but contains no
26 references to satellites, the space industry, engineering, national security regulations,
27 or any related matters.

28

1 47. SRAC’s intense focus on the cannabis industry continued beyond its
2 IPO. For example, in its SEC Form 10-K annual report filed March 26, 2020, SRAC
3 repeated many of its IPO Prospectus statements regarding the cannabis experience
4 of its management and its focus on the cannabis industry. For example, SRAC
5 stated, “[o]ur strategy is to pursue one or more business combinations with
6 companies servicing and operating adjacent or ancillary to, the cannabis sector but
7 which are not directly involved in the production, distribution and sale of cannabis
8 (i.e. businesses that ‘touch the plant’).” SRAC’s SEC Form 10-Q quarterly report
9 filed August 11, 2020 likewise repeated that “[a]lthough the Company is not limited
10 to a particular industry or sector for purposes of consummating a Business
11 Combination, the Company is focusing its search on companies in the cannabis
12 industry.”

13 48. SRAC’s other SEC filings subsequent to the IPO and prior to its
14 October 7, 2020 announcement of the Momentus merger agreement similarly
15 contain numerous references to cannabis, but no references to satellites, the space
16 industry, engineering, national security regulations, or any related matters.

17 **C. SRAC’s Management Faced Pressure To Complete A Qualifying**
18 **Business Combination By The May 13, 2021 Deadline**

19 49. Due to the SRAC Individual Defendants’ ownership interests in SRAC
20 and the terms and financial structure of SRAC as a SPAC, the SRAC Individual
21 Defendants possessed strong financial incentives to complete a qualifying
22 transaction by the May 13, 2021 deadline. As that deadline grew nearer, the SRAC
23 Individual Defendants faced increasing pressure to complete a transaction
24 irrespective of the merits of that transaction for SRAC’s public shareholders.

25 50. SRAC was subject to certain restrictions in its amended and restated
26 certificate of incorporation regarding its pursuit of an acquisition. First, SRAC only
27 had 18 months to complete a business combination from the closing date of the IPO.
28 If SRAC did not complete a business combination in time (*i.e.*, by May 13, 2021) or

1 obtain postponement of this deadline, its corporate existence would cease, except for
2 purposes of winding up its affairs and liquidating. SRAC was required to hold the
3 approximately \$172.5 million of net proceeds from its IPO in a trust account, and
4 these funds were to be released only upon the consummation of a qualifying
5 business combination, or in the case of liquidation to return the funds to SRAC's
6 investors.

7 51. Second, if SRAC's stockholders approved an amendment to the
8 amended and restated certificate of incorporation that would affect the substance or
9 timing of SRAC's obligation to redeem 100% of the public shares if SRAC did not
10 complete a business combination on time, SRAC was required to provide the
11 holders of its public shares with the opportunity to redeem all or a portion of their
12 public shares upon approval of any such amendment. Attempting to obtain such a
13 postponement of its deadline for a business combination thus presented serious risks
14 that (i) shareholders would not approve the postponement and so SRAC would be
15 forced to liquidate if it failed to complete a transaction on time, or (ii) if a
16 postponement was approved, shareholders may decide to redeem SRAC shares in
17 amounts that would significantly deplete SRAC's \$172.5 million trust account and
18 jeopardize its ability to complete a transaction even with an extended deadline.

19 52. The directors and officers of SRAC acquired a significant financial
20 interest in SRAC prior to the IPO, through their interests in and control over
21 SRAC's Sponsor. Each of SRAC's officers and directors was, directly or indirectly,
22 a member of the Sponsor. The Sponsor's board of managers was comprised of
23 Edward K. Freedman, Defendant Kabot and Defendant Quiroga. SRAC reported
24 each of Freedman, Kabot, and Quiroga as beneficially owning the securities owned
25 by the Sponsor, and reported that these individuals shared voting and dispositive
26 control over such securities.

27 53. In June 2019 the directors and officers of SRAC caused SRAC to issue
28 the Sponsor 4,312,500 "founder shares" of SRAC Class B common stock for an

1 aggregate purchase price of \$25,000 in cash, or approximately \$0.006 per share.
2 These founder shares, purchased at a nominal price, were planned to represent
3 approximately 20% of the outstanding shares upon completion of SRAC's IPO. The
4 founder shares were identical to SRAC's publicly offered shares except for certain
5 key features, including that the founder shares would have no redemption rights and
6 would not participate in a liquidating distribution, and so would be worthless if
7 SRAC did not complete a business combination by its deadline.

8 54. Simultaneously with the consummation of the IPO, the Sponsor
9 purchased 454,128 SRAC units for \$10.00 per unit, totaling over \$4.5 million, in a
10 private placement. These units consisted of private placement shares and private
11 placement warrants, which were identical to SRAC's publicly offered units
12 consisting of public shares and public warrants, except for certain key features,
13 including that the private placement shares and private placement warrants would
14 have no redemption rights and would not participate in a liquidating distribution,
15 and so would be worthless if SRAC did not complete a business combination by its
16 deadline.

17 55. From immediately after SRAC's IPO through the end of the Class
18 Period, SRAC reported that the Sponsor and/or its affiliate SRAC Pipe Partners
19 LLC owned approximately 21.7% of SRAC's common stock. SRAC reported these
20 shares as beneficially owned by the Sponsor's managers: Defendant Kabot,
21 Defendant Quiroga, and Freedman.

22 56. The interests of the Sponsor, its affiliate, and their beneficial owners in
23 SRAC securities had substantial value. For example, SRAC reported that as of
24 December 11, 2020, the Sponsor and its affiliate owned SRAC stock and warrants
25 with an aggregate market value of approximately \$80.9 million, which would be
26 rendered worthless if the Business Combination was not approved.

27 57. The Sponsor and each of SRAC's officers and directors agreed to
28 waive their rights to liquidating distributions with respect to their founder shares and

1 private placement shares if SRAC did not complete a business combination by its
2 deadline. SRAC's warrants were to expire worthless if SRAC failed to complete its
3 initial business combination by the May 13, 2021 deadline. Thus, if SRAC did not
4 meet its deadline, the initial shares and the warrants owned by the Sponsor, its
5 affiliates, and each of SRAC's officers and directors would be rendered worthless.

6 58. As the May 13, 2021 deadline drew closer, the financial pressure on the
7 SRAC Individual Defendants to complete a qualifying business combination
8 increased. Identifying a merger target, completing negotiations, finalizing merger
9 documentation, and obtaining required shareholder approvals, is an extremely time
10 consuming process that requires at least several months to complete. For example,
11 discussions between SRAC and Momentus began in June 2020, but the Business
12 Combination was not completed until August 2021. While this process was delayed
13 by the SEC's investigation of SRAC and the need to renegotiate the terms of the
14 proposed merger, even transactions that do not face these obstacles take several
15 months to complete.

16 59. From SRAC's November 13, 2019 IPO through at least June 2020,
17 SRAC identified and met with various potential target businesses, many of them in
18 the cannabis industry, to discuss a possible business combination, yet none of these
19 discussions resulted in the management of SRAC and a target company entering
20 into a merger agreement (other than the negotiations with Momentus). For example,
21 SRAC's management team evaluated over 50 potential business combination
22 targets, and entered into non-disclosure agreements with approximately 26 potential
23 business combination targets (other than Momentus), none of which resulted in a
24 deal.

25 60. By the time Defendant Kabot of SRAC was first introduced to
26 Defendant Kokorich of Momentus on June 26, 2020, SRAC was running out of
27 suitable target companies and running out of time in which to complete an
28 acquisition by its May 2021 deadline.

1 61. As detailed below, the materialization of risks concealed from investors
2 by Defendants, including ongoing national security and SEC investigations into
3 Defendants, derailed Defendants' initial plans to complete the merger of SRAC and
4 Momentus by early 2021. Beginning on or about March 25, 2021 Defendants
5 undertook extensive efforts to obtain shareholder approval to extend their May 13,
6 2021 deal deadline by three months to August 13, 2021, and planned a May 6 vote
7 on the extension proposal. Defendants failed to secure sufficient votes in favor of
8 the extension by May 6, and so postponed the vote to May 13, which was still the
9 last day for SRAC to complete a deal or liquidate. The proposal narrowly met its
10 65% approval requirement on May 13 with 66% of outstanding shares voting in
11 favor. Even with the extended August 13, 2021 deadline Defendants faced extreme
12 time pressure and financial incentives to complete a deal, and SRAC had no viable
13 options to complete a deal apart from Momentus. After the end of the Class Period,
14 on or about August 12, 2021 Momentus and SRAC completed their merger.

15 **D. Background Of Momentus: A Space Industry Startup With No**
16 **Revenue**

17 62. Momentus was founded in 2017 in Santa Clara, California, by co-
18 founders Defendant Kokorich and Lev Khasis. Kokorich served as Momentus's
19 CEO from November 2017 until his abrupt resignation on January 25, 2021. At the
20 time of the October 7, 2020 merger agreement announcement by SRAC and
21 Momentus, and throughout most of the Class Period, among Momentus's largest
22 beneficial owners were Defendant Kokorich and Olga Khasis, the spouse of co-
23 founder Lev Khasis. At the time of the October 7, 2020 merger agreement
24 announcement, key members of the Momentus management team included
25 Defendant Kokorich, Defendant Harms, then serving as Momentus's Chief Revenue
26 Officer, and Defendant Kennedy, Momentus's President.

27 63. The joint press release from Momentus and SRAC announcing their
28 merger agreement on October 7, 2020, described Momentus as "a commercial space

1 company offering in-space transportation and infrastructure services.” SRAC and
2 Momentus claimed that “Momentus is developing capabilities to provide critical
3 infrastructure services: in-space transportation, satellite as a service, and in-orbit
4 services.” They further claimed that “Momentus’ customers include satellite
5 operators, satellite manufacturers, launch providers, defense primes such as
6 Lockheed Martin and government agencies such as NASA.”

7 64. At no time have Momentus’s operations had any connection to the
8 cannabis industry.

9 65. As SRAC and Momentus admitted in later SEC filings, as of October
10 2020 Momentus had never completed a commercial launch of customer cargo, and
11 as a result had not recognized any revenue in its entire history from 2017 through
12 the October 2020 merger announcement.

13 **E. Momentus’s Need For Cash Gave Its Management An Incentive To**
14 **Conceal Problems That Might Prevent A Merger With SRAC**

15 66. Since its founding in 2017, Momentus had been regularly incurring
16 substantial losses. Momentus recorded worsening net losses of \$6.2 million for
17 2018, \$15.8 million for 2019, and \$15.4 million for just the six months ended June
18 30, 2020.

19 67. Due to its lack of any revenue and history of increasingly large losses,
20 Momentus was entirely dependent for its continued existence on raising funds from
21 investors. At the time of the October 2020 merger announcement, Momentus had
22 already raised, and spent, tens of millions of dollars of investor capital.

23 68. In May 2020 Momentus received a \$970,000 loan under the federal
24 government’s Paycheck Protection Program, which required it to certify that
25 “[c]urrent economic uncertainty makes this loan request necessary to support the
26 ongoing operations of the Applicant.”

27 69. As of June 30, 2020 Momentus’s total liabilities were greater than its
28 total assets. As of June 30, 2020 Momentus had \$10.7 million in cash on hand,

1 which would not even be enough to continue its operations through the end of the
2 year based on the rate of its losses in the first half of 2020.

3 70. Accordingly, the Momentus Individual Defendants had a strong
4 incentive to conceal any problems that might prevent Momentus from completing a
5 merger with SRAC and gaining access to its badly needed cash.

6 71. As later revealed in the SEC Complaint, by late 2019 Momentus was in
7 constant fundraising mode. Beginning in early 2020, Defendant Kokorich had
8 discussions with an investment bank in an effort to secure additional funding, and in
9 mid-2020 Momentus formally engaged the bank and sought its assistance to find a
10 suitable SPAC candidate for a merger. In addition to his discussions with SRAC,
11 Kokorich had discussions with two other SPACs, both of which chose not to move
12 forward with a merger with Momentus because Momentus was still at a relatively
13 early stage and immature as a company.

14 **V. UNDISCLOSED ADVERSE FACTS KNOWN TO DEFENDANTS**
15 **DURING THE CLASS PERIOD**

16 **A. The U.S. Government Determined That Momentus’s Russian CEO**
17 **Was A National Security Risk**

18 72. Throughout the Class Period, Momentus and the Momentus Individual
19 Defendants knew, but failed to disclose, that the U.S. government had determined
20 that Momentus’s CEO, co-founder and major shareholder Defendant Kokorich
21 presented a national security risk, which posed serious problems for Momentus and
22 created a heightened risk that Momentus would not be granted regulatory approvals
23 necessary for its operations.

24 73. Kokorich is a citizen of Russia. At no time has he been a citizen or
25 legal permanent resident of the United States. Kokorich has ties with persons and
26 entities closely affiliated with the Russian government.

27 74. Kokorich co-founded Momentus with Lev Khasis, who from 2013
28 through present has been First Deputy Chairman of the Executive Board of

1 Sberbank, which is the largest bank in Russia and which is owned by the Russian
2 state. Sberbank is subject to U.S. sanctions imposed by the U.S. Treasury
3 Department Office of Foreign Assets Control in 2018 because Sberbank supported
4 Russia’s annexation of Crimea from Ukraine. Sberbank has been led from 2007
5 through present by its CEO and Chairman Herman Gref, who is reported to be close
6 to Russia’s autocratic leader Vladimir Putin. In a 2018 report to Congress, the
7 Treasury Department named Gref on a list of “senior foreign political figures and
8 oligarchs in the Russian Federation, as determined by their closeness to the Russian
9 regime and their net worth.”

10 75. Prior to his founding of Momentus, from 2012 on Defendant Kokorich
11 founded and led a company called Dauria Aerospace, which had offices near
12 Moscow, Russia and in Mountain View, California. Dauria Aerospace obtained
13 contracts from the Russian state via the state-owned company Roscosmos State
14 Corporation for Space Activities. Dauria Aerospace partnered with the Skolkovo
15 Foundation, which purports to be a non-profit backed by the Russian state to support
16 a scientific and technological center for the development and commercialization of
17 advanced technologies. According to a warning published by the FBI’s Boston
18 office in 2014, the Skolkovo Foundation “may be a means for the Russian
19 government to access our nation’s sensitive or classified research, development
20 facilities and dual-use technologies with military and commercial applications.”

21 76. The parties to the SEC’s ongoing litigation against Defendant Kokorich
22 have filed various documents as exhibits in that litigation, which directly confirm
23 Momentus’s and Kokorich’s knowledge of the U.S. government’s national security
24 concerns relating to Kokorich during the Class Period.

25 77. On March 22, 2018, the U.S. Department of Commerce, Bureau of
26 Industry and Security (“BIS”) sent an Export License Rejection Notice to Momentus
27 (which was at that time operating under the name Space Apprentices Enterprise).
28 *See Exhibit 3.* The Rejection Notice denied Momentus’s application to provide to

1 Defendant Kokorich “[t]echnology required for the use of electrothermal propulsion
2 devices and thrusters,” *i.e.*, the propulsion technology that formed the core of all of
3 Momentus’s planned services, and which Momentus advertised as its main
4 competitive advantage. The Rejection Notice stated that the Department of
5 Commerce had concluded that Kokorich “is not an acceptable recipient at this time
6 of U.S.-origin items controlled for national security reasons.” *See* Exhibit 3.

7 78. On June 24, 2018, an attorney for Defendant Kokorich wrote a letter to
8 the U.S. Department of Treasury, Committee on Foreign Investment in the United
9 States (“CFIUS”) regarding Kokorich’s ownership of stock in another space
10 industry company, Astro Digital U.S., Inc. (“Astro Digital”). *See* Exhibit 4. The
11 letter was written to follow up on the attorney’s recent phone conference with
12 CFIUS personnel in the U.S. Departments of Treasury and Defense regarding the
13 same subject matter. Kokorich’s attorney stated in the letter that “[d]uring the
14 teleconference, CFIUS informed us that it is preparing to order the Kokoriches to
15 divest their ownership interest in Astro Digital. According to your colleagues,
16 CFIUS has concluded that the Kokoriches present a threat to the national security of
17 the United States.” The letter further stated that Kokorich was “well versed in U.S.
18 export control and sanctions laws and regulations.” *See* Exhibit 4. According to the
19 letter, CFIUS’ investigation relating to national security concerns surrounding
20 Defendant Kokorich had “now spanned almost two years,” and prevented Astro
21 Digital from being able to obtain new investment or funding. Defendant Kokorich’s
22 counsel listed Kokorich and his spouse as receiving copies of the letter.

23 79. On November 12, 2020, Momentus received a notification from the
24 Office of National Security and Technology Transfer Controls within the BIS,
25 informing Momentus that the U.S. Department of Commerce intended to deny
26 Momentus’ application for the deemed export of its “Vigoride” software and
27 technology to Defendant Kokorich. *See* Exhibit 6. The notification stated that the
28 Department of Commerce believed the denial “furthers the United States policy . . . to

1 restrict the export of goods and technology which would make a significant
2 contribution to the military potential of any other country or combination of
3 countries which would prove detrimental to the national security of the United
4 States.” The notification further stated that the Department of Commerce made its
5 determination in consultation with the Department of Defense, the Department of
6 State, and the Department of Energy. *See* Exhibit 6.

7 80. The U.S. Department of Defense, Office of Foreign Investment Review
8 sent a letter dated January 13, 2021 to the Securities and Exchange Commission
9 regarding the proposed merger between SRAC and Momentus. *See* Exhibit 7.
10 According to admissions later made in SRAC’s SEC filings, “On January 21, 2021,
11 Momentus became aware of correspondence from the U.S. Department of Defense .
12 . . . stating Momentus posed a risk to national security as a result of the foreign
13 ownership and control of Momentus by Mikhail Kokorich and Lev Khasis and their
14 associated entities, as well as concerns regarding disclosures relating to such matters
15 made by Stable Road in its SEC filings in connection with the Business
16 Combination.”

17 81. The January 13, 2021 letter stated that the Department of Defense “has
18 concluded that Momentus presently poses a risk to national security and accordingly
19 has requested appropriate governmental agencies conduct national security
20 reviews,” and that the Office of Foreign Investment Review would “continue to
21 recommend that DoD places an indefinite hold on all Momentus’ relationships with
22 DoD.” The letter stated that Kokorich’s previous Dauria Aerospace company
23 partnered with the Skolkovo Foundation, which the FBI assessed “may be a means
24 for the Russian government to access our nation’s sensitive or classified research.”
25 *See* Exhibit 7. The letter also noted national security concerns relating to Momentus’
26 “complex and opaque foreign ownership structure [that] may not accurately reflect
27 the ultimate beneficial owner of Momentus nor the true identity of financiers of
28 Momentus.” In particular, the letter noted that reported major Momentus

1 shareholder Olga Khasis was the wife of Lev Khasis, who was the “First Deputy
2 Chairman of Russia’s state-owned bank, Sberbank,” and that Sberbank is on the
3 Treasury Department Office of Foreign Assets Control’s “Sanctions List.”

4 82. The Department of Defense’s January 13, 2021 letter went on to state
5 that the Department of Defense believed SRAC’s November 2, 2020 S-4 filed with
6 the SEC to be misleading regarding these and related national security issues, and
7 that the “DoD is currently reviewing a 2019 federal investigation to determine if
8 Mikhail Kokorich violated export control laws while serving as both an investor and
9 executive in several satellite companies.” *See* Exhibit 7. The letter concludes by
10 stating that the Defense Department “concluded that Momentus’ current proposal
11 poses a risk to investors,” and by requesting that the SEC “delay the IPO of
12 Momentus in order to provide DoD and other government agencies the appropriate
13 time to conduct further due diligence.”

14 83. This Department of Defense letter appears to have prompted the SEC’s
15 investigation of Momentus, SRAC and the proposed merger. As SRAC admitted in
16 later SEC filings, “[o]n January 24, 2021, [Momentus] received a subpoena from the
17 Division of Enforcement of the U.S. Securities and Exchange Commission . . .
18 requesting documents regarding the Registration Statement on Form S-4 and
19 Amendment No. 1 thereto . . . filed by SRAC in connection with the Business
20 Combination.” SRAC further admitted in other filings that “[i]n January 2021, the
21 SEC’s Division of Enforcement informed SRAC and Momentus that it was
22 investigating certain disclosures made in filings with the SEC, including in
23 connection with the Business Combination.”

24 84. In addition to the foregoing documents filed in the SEC’s ongoing
25 litigation against Defendant Kokorich, the SEC revealed additional details regarding
26 Kokorich’s national security risks and related problems in the SEC Complaint and
27 the SEC Order. According to the SEC Order’s findings and the SEC Complaint’s
28 allegations, in June 2018 U.S. Customs and Immigration Services (“USCIS”)

1 revoked Defendant Kokorich’s work visa and denied his application for permanent
2 resident status. In September 2018 Kokorich applied for asylum, claiming to be a
3 prominent critic of the Russian government. On or about August 28, 2019, USCIS
4 informed Kokorich that it had not granted his asylum application, and that it had
5 referred his case to an immigration judge for adjudication in removal proceedings.
6 USCIS based its determination on “inconsistencies” in Kokorich’s application and
7 testimony “with regard to [his] political affiliations and activities in Russia.” On or
8 about the same date, the FBI, the Department of Homeland Security, and the BIS’s
9 Office of Export Enforcement arrived unannounced at Momentus’s headquarters,
10 questioned multiple employees, and detained Kokorich and transported him to an
11 immigration detention center after which he was released on bond. Kokorich was in
12 the process of adjudicating the removal proceedings when he left the U.S. in January
13 2021.

14 85. The SEC Order and SEC Complaint also provide additional factual
15 findings and allegations regarding the November 12, 2020 notification from the BIS
16 informing Momentus that the it intended to deny Momentus’ application for the
17 deemed export of its “Vigoride” software and technology to Defendant Kokorich.
18 *See* Exhibit 6. Momentus had filed this application in February 2020, and on April
19 15, 2020 Momentus learned that the application was placed on “hold without
20 action” by the BIS reviewer. On October 7, 2020 a BIS representative emailed
21 Momentus stating that the Departments of Defense and State would recommend
22 denying the application, and two days later the same BIS representative further
23 disclosed that the Department of Energy would also recommend denial. On October
24 23, 2020 the BIS representative emailed again to disclose that BIS’s Operating
25 Committee had determined to deny the license.

26 86. Throughout the Class Period Momentus and the Momentus Individual
27 Defendants failed to disclose to investors the foregoing highly material known facts,
28 that multiple U.S. government agencies had repeatedly concluded that Defendant

1 Kokorich was an unacceptable national security risk, which posed serious problems
2 for Momentus’s ability to carry out its planned operations in the space industry,
3 which is very regulated and highly sensitive from a national security standpoint.

4 **B. Momentus’s Only Test Of Its Technology In Space Was A Failure**

5 87. Throughout the Class Period, Momentus and the Momentus Individual
6 Defendants knew, but failed to disclose, that Momentus had only conducted one test
7 of its technology in space, that this test was not completed due to an equipment
8 failure, and that even if this test had been successfully completed it would not have
9 demonstrated the commercial viability of Momentus’s technology. As such,
10 Momentus was highly unlikely to be able to develop and commercialize its
11 technology on the aggressive timeline touted by Defendants in support of the
12 merger.

13 88. The critical piece of technology that Momentus touted as a
14 breakthrough and its key source of competitive advantage was the water plasma
15 propulsion system that was to be the source of power to provide Momentus’s
16 advertised services of transporting satellites in space. This water plasma thruster was
17 of primary importance to all of Momentus’s plans and had to work in space in order
18 for Momentus to generate any revenue.

19 89. Toward the end of the Class Period and afterward, under pressure from
20 the SEC to correct their prior misstatements, Defendants admitted the severe
21 shortcomings of the one and only in space test that Momentus ever attempted of this
22 technology:

23 Our first-generation X-band thruster, which operates at 30 Watts, was
24 flown aboard a demonstration mission called El Camino Real in mid-
25 2019. During this mission, Momentus launched its first MET
26 [microwave electrothermal thruster] into space as a hosted payload on
27 a nanosatellite. The mission’s objective was to demonstrate the
28 MET’s ability to produce water plasma in space by performing 100
one-minute firings . . . Failure of the host satellite in November 2019

1 prematurely terminated the demonstration after only 23 of the planned
2 100 firings of the thruster had been performed . . .

3 90. Momentum later confirmed the failure of this mission in a post-Class
4 Period press release, stating “The MET water plasma-based thruster was launched in
5 July 2019 in a mission known as El Camino Real. The mission did not meet its pre-
6 launch success criteria.”

7 91. Momentum and its personnel including Defendants Kokorich and Harms
8 were immediately aware of the premature end of the test due to the equipment
9 failure. This failure was discussed in a November 26-27, 2019 email chain among
10 six Momentum employees including Defendants Harms and Kokorich, as well as
11 Momentum’s Chief Engineer, with the subject line “Need El Camino Real Failure
12 Review Board.” *See* Exhibit 5. In that email chain, Momentum’s Chief Technology
13 Officer wrote, “[e]ven if we recover the spacecraft, at this point it is my judgement
14 that we need to convene a failure review board.” *See* Exhibit 5.

15 92. Defendants’ end of Class Period admissions detailed further
16 shortcomings of this one and only in space test, stating that of the 23 firings
17 completed before the mission’s failure, there were “12 hot firings with microwave
18 power turned on and 11 cold firings with the microwave turned off,” and that “a
19 pump issue significantly restricted flow of water into the thruster during nine of the
20 12 hot firings, preventing plasma-generation.”

21 93. Even for the three hot firings that had water present, Defendants
22 admitted that “pressure and temperature data did not provide sufficient information
23 to either confirm or contradict plasma presence.” However, Defendants went on to
24 state “Momentum believes that the reflected power data collected during the three hot
25 firings with water present to be sufficient to conclude that plasma was produced.”

26 94. Defendants went on to admit “issue[s]” and “weaknesses” revealed by
27 this test, stating “[t]he aforementioned pump issue and other observed weaknesses
28

1 from El Camino Real have informed our propulsion system design, pressure sensor
2 selection and overall vehicle design process.”

3 95. Furthermore, Defendants admitted that the technology they planned to
4 commercially deploy was not the small, commercially useless test model thruster
5 involved in the 2019 in space test, but a redesigned version that was supposed to
6 generate many times more thrust, that would be needed for any commercial
7 operations. While the 2019 test model was supposed to operate at 30 Watts,
8 Defendants admitted that their planned commercial use thrusters were supposed to
9 operate at powers of 550 Watts, 750 Watts, or more. Defendants further admitted
10 that “the technology underlying Momentus’s anticipated service offerings (including
11 its water plasma propulsion technology) is still in the process of being developed
12 and has not been fully tested or validated in space.”

13 96. In addition to the foregoing admissions by the Defendants, the SEC
14 revealed additional details regarding Momentus’s failure to successfully test its
15 technology in space in the SEC Complaint and the SEC Order. According to the
16 SEC Order’s findings and the SEC Complaint’s allegations, a former Momentus
17 officer stated that the thruster tested in the El Camino Real mission did not have
18 “commercial potential” because it was “too small, too inefficient, too low in
19 [specific impulse], too low in total impulse.” A former Momentus officer stated that
20 the mission yielded “no data to suggest that that thruster would deliver an impulse of
21 any commercial significance.” A Momentus engineer admitted that the mission did
22 not yield sufficient data to demonstrate the propulsion system’s reliability or
23 longevity. The SEC also revealed that while the satellite used in the El Camino Real
24 test is still in space, it is not functional.

25 97. The SEC Complaint and the SEC Order also confirm Defendant
26 Kokorich’s knowledge of these facts. Kokorich admitted he understood even before
27 the launch that the mission was not designed to show that the thruster could provide
28 a measurable change in velocity from thrust, to measure specific impulse, or to show

1 the thruster’s reliability. In a February 2020 internal Momentus document sent to
2 Defendant Kokorich, a Momentus engineer acknowledged that Momentus did not
3 obtain “any useful mission results” from the launch.

4 98. Throughout the Class Period Momentus and the Momentus Individual
5 Defendants failed to disclose to investors the foregoing highly material known facts,
6 that Momentus’s only test of its technology in space was not completed due to an
7 equipment failure, and that even if this test had been successfully completed it
8 would not have demonstrated the commercial viability of Momentus’s technology.

9 **C. Momentus’s Wildly Excessive Revenue Projections Ignored Its**
10 **National Security Risks And Unproven Technology**

11 99. During the Class Period Defendants repeatedly emphasized to public
12 investors their aggressive revenue projections for Momentus. For example,
13 Defendants’ projections issued as part of the October 7, 2020 deal announcement
14 forecast \$2 million in 2020 revenue, \$19 million in 2021, and \$152 million in 2022,
15 growing to over \$4 billion by 2027.

16 100. Because Momentus would only recognize revenue upon successfully
17 providing its planned services in space, these forecasts were premised on the key
18 assumptions that Momentus’s technology would work as hoped in space, and that
19 Momentus would be granted all of the many required regulatory approvals to
20 conduct its operations and place its products on rocket launches. As such,
21 Defendants’ near-term revenue forecasts likewise depended on the critical
22 assumption that Momentus would be allowed to participate in one rocket launch in
23 2020, and three more in 2021.

24 101. But, as detailed above in Section V.A, Momentus and the Momentus
25 Individual Defendants knew that the federal government had serious national
26 security concerns relating to Defendant Kokorich which posed a high risk that
27 Momentus would not receive regulatory approvals necessary to conduct its
28 operations. And, as detailed above in Section V.B, Momentus and the Momentus

1 Individual Defendants knew that it had never successfully demonstrated the
2 commercial viability of its technology in space which posed a high risk that its
3 technology would not perform as hoped on its first ever commercial missions.

4 102. Momentum and the Momentum Individual Defendants knew of these
5 serious risks to its planned operations and launch schedule, and likewise knew that
6 their revenue projections ignored those risks and simply assumed that the federal
7 government would grant Momentum all required regulatory approvals and that
8 Momentum's technology would work in space as hoped. Defendants therefore knew
9 that the best-case scenario assumptions they used in preparing Momentum's
10 published financial projections were very likely to fail, and that the aggressive
11 revenue projections based on those assumptions were highly unlikely to be
12 achieved.

13 103. Taken together, the foregoing facts seriously undermined the accuracy
14 of Defendants' revenue forecasts, and the failure to disclose these facts rendered the
15 issuance of the forecasts and Defendants' related statements materially misleading.
16 Momentum and the Momentum Individual Defendants knew their projections were
17 based on unreasonable assumptions and therefore lacked any reasonable basis in
18 fact.

19 **D. SRAC Failed To Conduct Adequate Due Diligence**

20 104. Throughout the Class Period, SRAC and the SRAC Individual
21 Defendants knew, but failed to disclose, that they had conducted inadequate due
22 diligence of Momentum that failed to follow up on known red flags regarding
23 Defendant Kokorich's national security issues, and that failed to investigate the
24 results of Momentum's only test of its technology in space.

25 105. SRAC and the SRAC Individual Defendants therefore knew that they
26 lacked sufficient information to assess the truth or falsity of their own statements
27 regarding regulatory risks facing Momentum, or the purported success of
28 Momentum's one and only in space test of its technology. These Defendants

1 similarly knew that they lacked sufficient information to assess the truth or falsity of
2 their own statements reiterating Momentus’s aggressive revenue projections,
3 because those projections were based on key assumptions that SRAC had never
4 evaluated.

5 106. Toward the end of the Class Period and afterward, under pressure from
6 the SEC to correct their prior misstatements, Defendants admitted facts showing that
7 SRAC failed to reasonably investigate Momentus’s claims regarding its technology.

8 107. Defendants admitted that “none of the directors or officers of SRAC are
9 engineers or physicists, and therefore their views as to the technical and commercial
10 viability of Momentus’ technology relied on the review and conclusions of experts
11 that SRAC engaged as part of its due diligence review, as well as the representations
12 of Momentus’ senior management.”

13 108. Defendants further admitted that their technical advisors’ review did
14 not evaluate Momentus’s claims to have successfully tested its technology in space,
15 and was rushed to completion in only four weeks:

16 On September 1, 2020, SRAC engaged Stellar Solutions, a technology
17 consulting firm, to assist with technical due diligence. Stellar
18 Solutions’ review, which resulted in a final report to SRAC in
19 approximately four weeks, was designed to conduct an assessment
20 encompassing technical capabilities, technical maturity, system and
21 operational risks and concerns, as well as industry expert observations
22 on market and competitive considerations for the services and
23 business. Stellar Solutions did not conduct a review of the results of
24 the 2019 demonstration mission called El Camino, based on its
25 determination regarding the further development of the technology
26 since that time and the additional ground testing that had been
27 conducted by Momentus thereafter.

28 109. Defendants also admitted that members of the law firm, Kirkland &
Ellis LLP, retained by SRAC in connection with the proposed merger and due
diligence of Momentus, included investors in the Sponsor and its affiliate SRAC
Pipe Partners LLC. Therefore, SRAC’s attorneys assisting with due diligence were

1 not independent and objective, but shared the SRAC Individual Defendants’
2 conflicts of interest based on their financial interests in the Sponsor. According to
3 SRAC’s SEC filings later in the Class Period, “[c]ertain partners of Kirkland & Ellis
4 LLP are investors in the Sponsor and SRAC Partners.”

5 110. In addition to the foregoing admissions by the Defendants, the SEC
6 revealed additional details regarding the failure of SRAC and the SRAC Individual
7 Defendants to conduct adequate due diligence of Momentus in the SEC Complaint
8 and the SEC Order.

9 111. The SEC Order found that SRAC did not specifically ask Stellar
10 Solutions to review Momentus’s El Camino Real mission, and Stellar Solution’s
11 report to SRAC made no mention of that mission.

12 112. The SEC Order also found that SRAC and Defendant Kabot conducted
13 inadequate due diligence relating to national security concerns surrounding
14 Defendant Kokorich. SRAC and Defendant Kabot knew that CFIUS had required
15 Kokorich to divest form another space technology company in 2018. During due
16 diligence, SRAC received a copy of CFIUS’s final order and repeatedly asked
17 Momentus for correspondence and other documents that would describe the basis of
18 the order. Momentus responded that it did not possess those documents. SRAC
19 failed to obtain a full and complete understanding of the basis for the CFIUS order
20 or its impact on Momentus’s business.

21 113. In sum, SRAC and the SRAC Individual Defendants knew that they
22 had failed to verify key information relating to Momentus’s technology and
23 Kokorich’s national security risks, and that they were simply repeating to public
24 investors unsupported assertions made to them by Momentus and the Momentus
25 Individual Defendants.

26
27
28

1 **VI. DEFENDANTS MISLED INVESTORS TO GAIN SUPPORT FOR THE**
2 **MERGER**

3 **A. Defendants Announce The Merger Agreement And Misleadingly**
4 **Hype Momentus's Prospects**

5 114. On October 7, 2020, with time running out to complete a business
6 combination before SRAC's May 13, 2021 deadline, SRAC and Momentus
7 announced that they had entered into a merger agreement, pursuant to which the two
8 companies would merge, SRAC stockholders would gain a proportionate interest in
9 Momentus, Momentus would gain access to the \$172.5 million in SRAC's trust
10 account (plus additional funds from a concurrent private placement), and Momentus
11 would become a publicly traded company. The Defendants stated that completion of
12 the proposed transaction was subject to approval by Momentus and SRAC
13 shareholders, and was expected to be completed in early 2021.

14 115. On October 7, 2020, SRAC filed with the SEC a Form 8-K that
15 contained further information about the proposed merger transaction. Among other
16 things, the Form 8-K included as attachments a copy of the joint press release from
17 SRAC and Momentus, a copy of the merger agreement, and an investor presentation
18 about Momentus and the proposed merger. On the same day, Defendants conducted
19 a public conference call to discuss the proposed merger and to provide further
20 information to investors, and Defendant Kabot gave a televised interview on CNBC.
21 Through these various channels, Defendants aggressively touted the proposed
22 merger and Momentus's prospects.

23 116. Defendants' October 7, 2020 statements were materially false and/or
24 misleading, and failed to disclose material adverse facts about the Momentus's
25 business, operations, and prospects. Specifically, Defendants failed to disclose to
26 investors that: (a) the federal government had determined Momentus's CEO,
27 Defendant Kokorich, to be a threat to national security, (b) Momentus had never
28 successfully tested its technology in space, (c) as a result, Defendants' projections of

1 Momentum’s future revenue were wildly overstated, and (d) SRAC’s due diligence
2 of Momentum was superficial, ignored red flags that demanded further investigation,
3 and did not provide a reasonable basis for SRAC’s statements about Momentum.

4 117. For example, nowhere in Defendants’ October 7, 2020 statements did
5 they mention that the federal government had raised national security concerns
6 regarding Momentum’s co-founder, major shareholder and CEO Defendant
7 Kokorich, which had caused the U.S. Department of Commerce Bureau of Industry
8 and Security to deny Momentum an export license, and which had caused the U.S.
9 Treasury Department Committee on Foreign Investment in the United States to
10 order Kokorich to divest his ownership interests in another space industry company
11 he had led.

12 118. In the press release announcing the Merger Agreement, SRAC and
13 Momentum stated that, “[i]n 2019, the Company successfully tested its water plasma
14 propulsion technology in space.” However, the mission referred to failed before
15 achieving its objectives, and did not even attempt to demonstrate the commercial
16 viability of Momentum’s technology.

17 119. Defendants ignored the substantial risks to Momentum’s business posed
18 by these national security concerns and the unproven status of its technology, and
19 baselessly forecast revenues of \$2 million in 2020, \$19 million in 2021, increasing
20 to over \$1 billion by 2024, and over \$4 billion by 2027, despite never having earned
21 any revenue in the company’s history to date.

22 120. And when Defendant Kobot went on television, in response to a
23 question regarding the current “blank check bonanza,” and “whether you think
24 there’s just too many” SPACs, he stated:

25 what I think is great for the investor is we did four months of due
26 diligence. We spent a lot of money with some of the top service
27 providers out there from Stellar Solutions to Kirkland and Ellis, from
28 Orrick to Evercore to cantor completing our underwriting, right, we
did four months of due diligence, which in a traditional ipo you would

1 never have the opportunity to do, so I think SPACs are very healthy
2 for the market.

3 Defendant Kabot made these statements despite knowing that SRAC had failed to
4 undertake basic due diligence such as confirming whether Momentus’s technology
5 was actually successfully tested in space, or following up on red flags known to
6 SRAC about national security issues relating to Defendant Kokorich.

7 121. In sum, from their very first public statements regarding the proposed
8 merger on October 7, 2020, Defendants materially misled investors as part of their
9 efforts to aggressively promote the deal and ensure its prompt closing.

10 **B. Defendants Aggressively And Misleadingly Promoted The**
11 **Proposed Merger Following Its Announcement**

12 122. From Defendants’ first public announcement of the proposed Merger
13 on October 7, 2020 up to the SEC’s July 13, 2021 announcement of the SEC Order
14 and the filing of the SEC Complaint, Defendants aggressively and misleadingly
15 promoted the proposed Merger and Momentus’s business prospects in numerous
16 public statements, in an apparent effort to build investor support for the Merger.

17 123. Throughout the Class Period Defendants falsely ignored and
18 downplayed the U.S. government’s national security concerns relating to Defendant
19 Kokorich. Defendants falsely told investors that Momentus had successfully tested
20 its technology in space. Defendants ignored national security and technological risks
21 to baselessly claim that Momentus could achieve explosive revenue growth,
22 beginning in only a matter of months. And Defendants falsely boasted of SRAC’s
23 purportedly “extensive” due diligence of Momentus.

24 124. SRAC filed with the SEC a Registration Statement on Form S-4 on
25 November 2, 2020, which, similar to Defendants’ October 7, 2020 statements,
26 contained false and misleading statements and omissions regarding Momentus,
27 SRAC’s due diligence, and the proposed merger.

28

1 125. While SRAC’s November 2, 2020 Registration Statement (and later
2 amendments) recited certain potential risks that could arise in connection with the
3 merger with Momentus, it provided no reasons to suspect that SRAC had failed to
4 reasonably investigate such risks, or any indication that any of these potential risks
5 had already substantially materialized. In short, SRAC’s shareholders had no reason
6 to doubt the Defendants’ characterization of Momentus as a valuable business with a
7 clear path to rapid and substantial revenue growth and profitability.

8 126. SRAC subsequently amended the Registration Statement four times
9 during the Class Period on: December 14, 2020; March 8, 2021; June 29, 2021; and
10 July 12, 2021. While certain of these amendments provided additional information
11 regarding Momentus’s national security problems, Momentus’s failure to
12 successfully test its technology in space, Momentus’s financial projections, or
13 SRAC’s due diligence, each amended Registration Statement still omitted material
14 information and failed to disclose sufficient information to fully reveal the truth to
15 investors.

16 127. SRAC also filed with the SEC updated versions of the investor
17 presentation relating to Momentus that had been initially filed on October 7, 2020.
18 SRAC filed such updated investor presentations, each of which remained materially
19 misleading for the above stated reasons, on October 13, 2020; November 17, 2020;
20 December 14, 2020; April 7, 2021; and May 5, 2021.

21 128. Momentus issued a dozen promotional press releases during the Class
22 Period, which touted Momentus’s business and/or promoted the proposed Merger,
23 for example by announcing customer “contracts” to deliver satellites to lunar orbits
24 which Momentus had never attempted and lacked the technology to achieve.

25 129. Defendants gave interviews to public media outlets to misleadingly
26 promote the proposed merger throughout the Class Period. For example, on January
27 4, 2021, simultaneously with Defendants’ announcement that Momentus’s launch
28 schedule would be delayed in order to obtain regulatory approvals, Defendant

1 Kennedy gave an interview to IPO Edge in which he misleadingly reaffirmed
2 Momentus's revenue projections and downplayed national security concerns relating
3 to Defendant Kokorich. And on May 4, 2021 Defendants Kabot and Harms, along
4 with Momentus Chief Technology Officer Rob Schwartz, gave another interview to
5 IPO Edge, in which they continued to misleadingly tout Momentus's prospects and
6 technology.

7 130. Defendants' statements throughout the Class Period regarding
8 Momentus were apparently made as part of a public relations strategy to build
9 investor support for the proposed Merger. As with Defendants' initial October 7,
10 2020 statements, Defendants' other Class Period statements misleadingly
11 downplayed or ignored national security risks, touted Momentus's technology, made
12 baseless financial projections, and falsely touted SRAC's purportedly extensive due
13 diligence.

14 **VII. THE TRUTH EMERGES, CAUSING SRAC'S STOCK PRICE TO**
15 **PLUMMET**

16 131. From January 4, 2021 until July 13, 2021, the truth regarding SRAC
17 and Momentus was revealed to investors in a series of partial corrective disclosures
18 and materializations of previously concealed risks. Over this period, Momentus and
19 SRAC made several piecemeal partial disclosures of regulators' national security
20 concerns relating to Momentus, resulting in the repeated postponement of its
21 planned space missions, the resignation of Defendant Kokorich, and customers and
22 suppliers abandoning Momentus. Over this period, Momentus and SRAC similarly
23 made piecemeal partial disclosures relating to and as a result of the SEC's
24 investigation into their misleading statements to investors, culminating in the SEC's
25 announcement of the Cease and Desist Order and the filing of a civil enforcement
26 action against Defendant Kokorich on July 13, 2021.

27 132. In response to SRAC's and Momentus's partial corrective disclosures
28 and materializations of concealed risks over the January 4, 2021 to July 13, 2021

1 period, and ultimately in response to the SEC’s revelations, SRAC’s publicly traded
2 stock price declined dramatically. While SRAC stock reached a Class Period intra-
3 day high of \$29.18 per share on February 10, 2021, on July 15, 2021 it closed at
4 only \$10.38 per share.

5 **A. January 4, 2021 Disclosures Regarding Launch Delay**

6 133. On January 4, 2021, after the close of stock market trading, Momentus
7 published a press release titled “Momentus Announces Move of Vigoride from
8 January 2021 Mission; Will be Remanifesting to a Subsequent Launch,” and SRAC
9 publicly filed a copy of the press release with the SEC.

10 134. The press release stated in relevant part that Momentus “will be
11 remanifesting its January 2021 mission to a subsequent launch opportunity in 2021.
12 This move will allow for the additional time necessary to secure FAA approval of
13 Momentus’ payloads, including completion of a standard interagency review. “

14 135. From the October 7, 2020 deal announcement onward, Defendants had
15 repeatedly touted a planned December 2020 or January 2021 mission to place
16 customer satellites in space and test Momentus’s technology in space. However, as
17 partially revealed by the January 4, 2021 press release, the risks relating to national
18 security and SRAC’s deficient due diligence concealed by Defendants’ false
19 statements had begun to materialize, with a federal government agency denying an
20 approval without which Momentus could not operate its business, and with the
21 announcement of an ongoing “interagency review.”

22 136. Following publication of this press release, on January 5, 2021 SRAC’s
23 stock closed at \$16.25 per share, 6.0% lower as compared to its previous day closing
24 price. SRAC’s stock continued to fall in the next trading session, closing January 6,
25 2021 at a price of \$15.40 per share, representing a total loss of 10.9% since
26 publication of the press release.

1 **B. January 25, 2021 Disclosures Regarding Kokorich’s Resignation**

2 137. On January 25, 2021 before the open of stock market trading,
3 Momentus published a press release titled “Momentus Names Dawn Harms Interim
4 CEO,” and SRAC publicly filed a copy of the press release with the SEC.

5 138. The press release disclosed that Defendant Kokorich had resigned
6 effective immediately, and would be replaced by Defendant Harms as interim CEO.
7 The press release stated in relevant part, “Momentus, in consultation with . . . Stable
8 Road . . . has determined that accepting Mr. Kokorich’s resignation is in the best
9 interest of the Company, in an effort to expedite the resolution of U.S. government
10 national security and foreign ownership concerns surrounding the Company, the
11 existence of which the Company recently has confirmed.” The press release quoted
12 Defendant Kabot as stating, “We believe that this leadership transition will position
13 the company for success and help accelerate regulatory reviews by the U.S.
14 government.” The press release stated that “Momentus and Stable Road are fully
15 committed to cooperating with the U.S. government in connection with any
16 regulatory reviews.”

17 139. From the October 7, 2020 deal announcement onward, Defendants had
18 repeatedly touted Defendant Kokorich’s central importance to Momentus and its
19 future plans. However, as partially revealed by the January 25, 2021 press release,
20 the federal government had “national security and foreign ownership concerns”
21 relating to Momentus. Also as partially revealed by the January 25 press release, the
22 risks relating to national security and SRAC’s deficient due diligence concealed by
23 Defendants’ false statements had further materialized, to the point that Momentus’s
24 CEO and co-founder was forced to resign, amid ongoing “regulatory reviews by the
25 U.S. government.”

26 140. Following publication of this press release, on January 25, 2021
27 SRAC’s stock closed at \$23.68 per share, 4.7% lower as compared to its previous
28 day closing price. SRAC’s stock continued to fall in the next trading session, closing

1 January 26, 2021 at a price of \$22.75 per share. And SRAC’s stock continued to fall
2 in the following trading session, closing January 27, 2021 at a price of \$20.10 per
3 share, representing a total loss of 19.1% since publication of the press release.

4 **C. March 8, 2021 Disclosures Regarding Governmental Investigations**

5 141. On March 8, 2021 during stock market trading hours SRAC publicly
6 filed with the SEC an amended Registration Statement on Form S-4/A.

7 142. The amended Registration Statement contained partial corrective
8 disclosures, and revealed the further materialization of concealed risks, relating to
9 the federal government’s national security concerns surrounding Defendant
10 Kokorich. For example, the amended Registration Statement disclosed that:

11 On January 21, 2021, Momentus became aware of correspondence
12 from the U.S. Department of Defense . . . stating Momentus posed a
13 risk to national security as a result of the foreign ownership and
14 control of Momentus by Mikhail Kokorich and Lev Khasis and their
15 associated entities, as well as concerns regarding disclosures relating
16 to such matters made by Stable Road in its SEC filings in connection
17 with the Business Combination.

18 143. The amended Registration Statement similarly revealed that “after a
19 series of communications with the FAA with respect to a license for the January
20 2021 mission, the FAA ultimately determined that it was unable to grant to SpaceX
21 an approval of the Momentus payload for the SpaceX Transporter-1 launch in
22 January 2021 due to national security and foreign ownership concerns regarding
23 Momentus raised by the Department of Defense during an interagency review.”

24 144. The amended Registration Statement further disclosed that Momentus
25 had offered to undertake costly and time consuming “mitigation” efforts, that would
26 adversely impact its business, in order to address the federal government’s national
27 security concerns:

28 These proposed mitigation measures include, among other things, the
engagement of an independent professional to conduct an audit of
Momentus’ technology, adoption and implementation of a NSIT- or

1 ISO-compliant data security plan, and appointment of a security
2 officer to oversee compliance with mitigation terms agreed with
3 CFIUS. Momentum and SRAC indicated in the CFIUS notice that the
4 proposed mitigation measures are not intended to be exhaustive or
5 exclusive, and that they are committed to wholly addressing CFIUS's
6 and its member agencies' national security concerns.

7 145. The amended Registration Statement revealed that Momentum now did
8 not expect to complete its first launch until June 2021, and that Momentum generally
9 expected a more delayed schedule for launches and commercialization of its
10 technology as compared to its prior forecasts.

11 146. The amended Registration Statement revealed that Momentum's
12 backlog of customer contracts fell from \$90 million to \$86 million. This represented
13 the cancellation of \$4 million worth of customer contracts, and was a further
14 materialization of concealed risks relating to national security and SRAC's deficient
15 due diligence, and the resulting significant delay in Momentum's planned launch
16 schedule. Similarly, the amended Registration Statement deleted a statement from
17 the prior version of the Registration Statement, which had said "[w]e were recently
18 selected by Lockheed Martin to support its \$89.7 million contract from NASA's
19 2020 Tipping Point solicitation, to provide Satellite as a Service using our Vigoride
20 vehicle for Lockheed Martin's payload," thus revealing that Lockheed Martin would
21 no longer use Momentum for this mission.

22 147. The notes to Momentum's financial statements included in the amended
23 Registration Statement revealed that Momentum "has concluded there is substantial
24 doubt about its ability to continue as a going concern within one year after the date
25 these financial statements are issued," due to its history of losses, need to obtain
26 additional investment, and uncertainty surrounding its products and services. The
27 substantial doubt about Momentum's ability to continue as a going concern
28 represented a further materialization of risks relating to national security and
SRAC's deficient due diligence concealed from investors, as delays in Momentum's

1 launch schedule and ability to generate revenue were directly caused by the federal
2 government’s national security review of Kokorich and Momentus.

3 148. The amended Registration Statement also revealed that “in January
4 2021, the SEC’s Division of Enforcement informed SRAC and Momentus that it
5 was investigating certain disclosures made in filings with the SEC, including in
6 connection with the Business Combination. SRAC and Momentus are fully
7 cooperating with the SEC’s investigation and are unable to predict the outcome of
8 the matter at this time.”

9 149. Following publication of the amended Registration Statement, on
10 March 8, 2021 SRAC’s stock closed at \$12.50 per share, 8.0% lower as compared to
11 its previous day closing price.

12 **D. May 4, 2021 Disclosures Regarding Loss Of Customers**

13 150. On May 4, 2021 during stock market trading hours representatives of
14 SRAC and Momentus participated in a live broadcast interview with IPO Edge. The
15 interview was accompanied by a modified version of Momentus’s investor
16 presentation. On May 5, 2021 SRAC publicly filed a transcript of this interview
17 with the SEC on Form 425, along with a copy of the accompanying investor
18 presentation.

19 151. The investor presentation was similar to presentations previously
20 published by SRAC and Momentus. However, whereas prior presentations had
21 touted \$90 million or \$86 million of “backlog” customer contracts, Defendants
22 removed all backlog numbers from this new version of the presentation. The May 4,
23 2021 presentation contained slides titled “Momentus at a Glance” and “Significant
24 Customer Traction and Expected Demand” that were substantially similar to slides
25 included in prior presentations, with the exception that the prior versions contained
26 specific backlog numbers which were now conspicuously absent from the May 4,
27 2021 presentation. Also conspicuously absent from the May 4, 2021 presentation
28 was the inclusion of Lockheed Martin among the lists of customers included in prior

1 presentation versions. These changes to the investor presentation revealed to the
2 market that Momentus continued to lose customers and backlog. This was a further
3 materialization of concealed risks relating to national security and SRAC’s deficient
4 due diligence, and the resulting significant delay in Momentus’s planned launch
5 schedule.

6 152. Following the broadcast of this interview and presentation, on May 4,
7 2021 SRAC’s stock closed at \$11.08 per share, 6.7% lower as compared to its
8 previous day closing price.

9 **E. May 24, 2021 Disclosures Regarding Further Launch Delays**

10 153. On May 24, 2021 during stock market trading hours SRAC publicly
11 filed with the SEC a current report on Form 8-K.

12 154. The current report stated in relevant part “On May 23, 2021, Momentus
13 informed Stable Road that it does not expect to fly any missions in 2021 and that
14 this determination was based on information from SpaceX that it was suspending its
15 Momentus-related efforts while Momentus works to secure approvals from the U.S.
16 government . . . Momentus is in the process of updating its financial projections and
17 backlog.”

18 155. From the October 7, 2020 deal announcement onward, Defendants had
19 repeatedly touted participation in multiple planned launches in 2021, even after they
20 admitted to delays in the launch schedule in response to ongoing national security
21 investigations. Defendants had likewise repeatedly touted SpaceX as a key partner
22 important to Momentus’s future plans and success. However, as partially revealed
23 by the May 24, 2021 current report, the risks relating to national security and
24 SRAC’s deficient due diligence concealed by Defendants’ false statements had
25 further materialized, and Momentus would now not be able to participate in any
26 launches in 2021, and so would not be able to generate any revenue from offering its
27 services in space in 2021.
28

1 156. Similarly, from the October 7, 2020 deal announcement onward,
2 Defendants had repeatedly touted the potential revenue from Momentus’s customer
3 order backlog, and aggressive revenue projections based on multiple launches
4 occurring in 2021, but now admitted that these figures required “updating.”

5 157. Following publication of this current report, on May 24, 2021 SRAC’s
6 stock closed at \$10.42 per share, 13.4% lower as compared to its previous day
7 closing price. SRAC’s stock continued to fall in the next trading session, closing
8 May 25, 2021 at a price of \$10.17 per share, representing a total loss of 15.5% since
9 publication of the current report.

10 **F. June 29, 2021 Disclosures Regarding Failed Technology Test And**
11 **National Security Issues**

12 158. On June 29, 2021 after the close of stock market trading SRAC
13 publicly filed with the SEC an amended Registration Statement on Form S-4/A.

14 159. The amended Registration Statement contained partial corrective
15 disclosures relating to Momentus’s unproven technology. The amended Registration
16 Statement disclosed that “the technology underlying [Momentus’s] anticipated
17 service offerings (including its water plasma propulsion technology) is still in the
18 process of being developed and has not been fully tested or validated in space and
19 may never have the capabilities or functionality in space that Momentus currently
20 expects.”

21 160. More specifically, the amended Registration Statement admitted that
22 Momentus’s sole in space test had not met its objectives and had encountered
23 serious operational problems:

24 Our first-generation X-band thruster, which operates at 30 Watts, was
25 flown aboard a demonstration mission called El Camino Real in mid-
26 2019. During this mission, Momentus launched its first MET into
27 space as a hosted payload on a nanosatellite. The mission’s objective
28 was to demonstrate the MET’s ability to produce water plasma in
space by performing 100 one-minute firings. The MET was
instrumented with temperature, pressure and RF reflected power

1 sensors to infer the presence of water plasma, which if detected,
2 would indicate that the water propellant was flowing into the thrust
3 chamber and radio frequency energy was being absorbed by the water.
4 Failure of the host satellite in November 2019 prematurely terminated
5 the demonstration after only 23 of the planned 100 firings of the
6 thruster had been performed including 12 hot firings with microwave
7 power turned on and 11 cold firings with the microwave turned off.
8 While a pump issue significantly restricted flow of water into the
9 thruster during nine of the 12 hot firings, preventing plasma-
10 generation, the three hot firings that did have water present were
11 found to have produced plasma.

12 161. The amended Registration Statement also contained partial corrective
13 disclosures, and revealed the further materialization of concealed risks, relating to
14 the federal government's national security concerns surrounding Defendant
15 Kokorich. For example, the amended Registration Statement disclosed that:

16 On June 8, 2021, CFIUS' review of the joint notice relating to
17 historical acquisitions of interests in Momentus by Mr. Kokorich, his
18 wife, and entities that they control concluded when the Company
19 entered into a National Security Agreement with Mr. Kokorich, on
20 behalf of himself and Nortrone Finance S.A. (an entity controlled by
21 Mr. Kokorich), Lev Khasis and Olga Khasis, each in their respective
22 individual capacities and on behalf of Brainyspace LLC (an entity
23 controlled by Olga Khasis), and the U.S. government, represented by
24 the U.S. Departments of Defense and the Treasury (the 'NSA'). In
25 accordance with the NSA, on June 8, 2021, Mr. Kokorich, Nortrone
26 Finance S.A., Lev Khasis and his wife Olga Khasis, and Brainyspace
27 LLC fully divested all the equity interests in Momentus owned or
28 beneficially owned by them by selling such equity interests to
Momentus. The NSA also establishes various requirements and
restrictions on Momentus in order to protect national security, certain
of which may materially and adversely affect the operating results of
Momentus due to uncertainty associated with and the cost of
compliance with security measures, and limitations on Momentus'
control over certain U.S. facilities, contracts, personnel, vendor
selection and operations.

1 162. The amended Registration Statement revealed that Momentus would
2 have to pay Defendant Kokorich, Lev Khasis, and their affiliates, \$50 million in
3 exchange for the repurchase of their interests in Momentus.

4 163. The amended Registration Statement revealed that Momentus’s
5 National Security Agreement with the U.S. government imposed onerous and
6 expensive requirements on Momentus, including that:

7 Under the NSA, we are required to hire and pay for the costs of a full
8 time Security Officer who will be responsible for overseeing
9 compliance with the NSA, an independent third-party monitor to
10 monitor compliance with the NSA by the parties to the NSA, as well
11 as an independent third-party auditor to regularly audit our
12 compliance with the NSA. We are also required to establish: (i) a
13 security plan to safeguard protected technical information, systems
14 and facilities; (ii) a board-level Security Committee to oversee the
15 development and implementation of policies and procedures to
16 safeguard protected technical information, systems and facilities and
17 to exercise appropriate oversight and monitoring of Momentus’
18 operations to ensure that the protective measures contained in the
19 NSA are effectively maintained and implemented; (iii) an audit plan;
20 and (iv) a communications plan. We are also required to provide
detailed and frequent reports to the third-party monitor. We will incur
substantial costs to implement these and other requirements under the
NSA, and we expect that substantial personnel time will need to be
devoted to implement and comply with these requirements . . . These
costs, requirements and restrictions may materially and adversely
affect our operating results.

21 164. The amended Registration Statement revealed that, prior to the
22 divestment by Kokorich, Khasis, and their affiliates, “the Federal Aviation
23 Administration . . . recently denied one of our payload review applications due to
24 interagency concerns related to our foreign ownership and corporate structure.”
25 Defendants similarly disclosed that “on May 10, 2021 . . . Momentus received a
26 letter from the FAA denying Momentus’ application for a payload review for the
27 planned June 2021 launch based on the FAA’s finding that its launch would
28 jeopardize U.S. national security.”

1 165. The amended Registration Statement revealed further delays to
2 Momentus’s anticipated launch schedule:

3 Our first launch with customers is currently anticipated to occur in
4 June 2022, subject to receipt of licenses and other government
5 approvals and availability of slots on our launch provider’s manifests.
6 Prior planned launches were cancelled due to not receiving required
7 licenses and other governmental approvals and other factors, and we
8 can offer no assurances that our first launch will occur in June 2022.

9 And Defendants similarly admitted that “Momentus now anticipates sending its first
10 two Vigoride vehicles into space in June 2022 . . . approximately 18 months later
11 than had been contemplated at the time of our initial merger announcement.”

12 166. Defendants further admitted in the amended Registration Statement that
13 the national security concerns and resulting delays had led customers to abandon
14 Momentus:

15 If we do not receive [government] approvals in a timely manner, our
16 financial condition, results of operations, backlog and prospects will
17 be materially adversely affected. For example, we have experienced
18 erosion in our backlog of \$86 million as of March 4, 2021 to \$66
19 million as of June 11, 2021 as customers chose to cancel their
20 contracts with us and seek alternative providers due to delays in our
21 scheduled missions as we await receipt of necessary governmental
22 approvals.

23 167. The amended Registration Statement revealed that SRAC and
24 Momentus had amended their merger agreement, to reflect the fact that Momentus
25 was only half as valuable as Defendants had previously represented to public
26 investors:

27 On June 29, 2021, SRAC, Momentus and the other parties to the
28 Merger Agreement entered into an amendment to the Merger
Agreement to, among other things, reduce the enterprise valuation of
Momentus from \$1.131 billion to \$566.6 million due to regulatory
delays which have resulted in delays in the closing of the Business
Combination and Momentus’ launch schedule. As a result of these
delays, Momentus has updated its financial projections.

1
2 168. The amended Registration Statement disclosed dramatic downward
3 revisions to Momentus’s prior revenue projections. For example, Defendants now
4 admitted Momentus had no revenue in 2020, projected no revenue for 2021, and
5 projected only \$5 million in revenue for 2022, in addition to dramatic downward
6 revisions in all later years as well. Defendants admitted, “[i]n general, projected
7 revenue and gross profits have shifted forward by 18 months.”

8 169. The amended Registration Statement admitted that Momentus’s
9 revenue projections “are based on assumptions about Momentus’ ability to fully
10 develop, test and validate its technology in space, including its water plasma
11 propulsion technology, and assumes that Momentus can obtain the necessary
12 licenses and regulatory approvals from the U.S. government for its missions on a
13 timely basis.”

14 170. The amended Registration Statement further admitted that, “Momentus
15 has incurred significant losses since inception, it expects to incur losses in the future
16 and it may not be able to achieve or maintain profitability.”

17 171. Finally, the amended Registration Statement admitted regarding the
18 ongoing SEC investigation:

19 On January 24, 2021, the Company received a subpoena from the
20 Division of Enforcement of the U.S. Securities and Exchange
21 Commission . . . requesting documents regarding the Registration
22 Statement . . . filed by SRAC in connection with the Business
23 Combination. Most recently, the Company has entered into settlement
discussions with the Division of Enforcement in an effort to resolve a
potential enforcement action.

24 172. Following publication of the amended Registration Statement, on June
25 30, 2021 SRAC’s stock closed at \$13.97 per share, 4.7% higher as compared to its
26
27
28

1 previous day closing price.⁶ However, this increase occurred because on June 29,
2 2021 Defendants simultaneously released news that was positive for SRAC's public
3 shareholders, in addition to the above described negative news in the form of
4 corrective disclosures and materialization of concealed risks.

5 173. The June 30, 2021 increase in stock price was caused by the revised
6 deal terms announced on June 29. SRAC's public investors now stood to obtain a
7 19.4% interest in Momentus following the proposed merger, whereas previously
8 they would only have obtained a 12.5% interest. This 55.2% increase in the interest
9 to be received by SRAC's public stockholders should have, all else being equal,
10 resulted in a commensurate increase in SRAC's publicly traded stock price. That
11 SRAC's stock price increased by only 4.7% shows the market's severe negative
12 reaction to the June 29 revelations regarding Momentus's technology, national
13 security related risks, and downward revision of Momentus's financial projections.

14 **G. July 13, 2021 Publication Of The SEC Order And SEC Complaint**

15 174. On July 13, 2021, the SEC published the SEC Order, publicly filed the
16 SEC Complaint, and issued a related press release.

17 175. As detailed above in Section V, the SEC Order and the SEC Complaint
18 revealed material additional facts, not previously disclosed, regarding Momentus's
19 unproven technology, Defendant Kokorich's national security risks, and SRAC's
20 deficient due diligence, which corrected Defendants' prior false and misleading
21 statements and omissions.

22 176. Furthermore, by revealing the grave deficiencies in SRAC's due
23 diligence process, the SEC revealed to the market that there was an elevated risk
24

25 ⁶ For the avoidance of doubt, Plaintiff does not claim to have suffered an out of
26 pocket economic loss on June 30, 2021, but rather alleges the facts in this Section
27 VII.F in order to show Defendants' June 29, 2021 admissions and the market's
28 strongly negative reaction to those admissions.

1 that other material, undisclosed problems existed at Momentus, that SRAC's
2 deficient due diligence had failed to discover.

3 177. In addition, the SEC Order and the SEC Complaint were the further
4 materialization of the risks concealed from investors by Defendants. Defendants'
5 own false statements had created the risk that regulatory action would be taken
6 against them, and would adversely affect the future prospects of SRAC and
7 Momentus through, *inter alia*, penalties, additional compliance burdens, and
8 reputational damage.

9 178. Among the requirements of the SEC Order, consented to by Defendants
10 Momentus, SRAC, the Sponsor, and Kabot, were that: (i) SRAC shall pay a \$1
11 million penalty, (ii) Kabot shall pay a \$40,000 penalty, (iii) Momentus shall a \$7
12 million penalty, (iv) each of Momentus, SRAC, the Sponsor, and Kabot shall
13 cooperate with SEC interviews in any related proceedings, (v) Momentus shall
14 create an independent board committee to ensure compliance with the SEC order
15 and implement disclosure controls, (vi) Momentus shall retain and pay for an
16 independent compliance consultant approved by the SEC, who will conduct
17 comprehensive ethics and compliance reviews, (vii) Momentus shall adopt and
18 implement all recommendations of the independent compliance consultant, (viii)
19 Momentus and SRAC shall allow certain private placement investors to terminate
20 their investment agreements, and (ix) the Sponsor shall forego 250,000 founder
21 shares in SRAC to which it was otherwise entitled.

22 179. Following the publication of the SEC Order and the SEC Complaint, on
23 July 14, 2021 SRAC's stock closed at \$10.66 per share, 10.3% lower as compared to
24 its previous day closing price. SRAC's stock continued to fall in the next trading
25 session, closing July 15, 2021 at a price of \$10.38 per share, representing a total loss
26 of 12.6% since publication of the SEC Order and SEC Complaint.

27
28

1 **VIII. DEFENDANTS MADE MATERIALLY FALSE AND MISLEADING**
2 **STATEMENTS**

3 **A. Misleading Pre-Class Period Public Statements**

4 180. In several pre-Class Period public statements, available to public
5 investors during the Class Period, Defendants claimed that Momentus’s water
6 plasma propulsion system had been successfully tested in space, and that its
7 commercial viability had been demonstrated by this in space test.

8 181. Momentus, through its launch partner Astro Digital US, Inc., publicly
9 filed a report with the Federal Communications Commission dated September 11,
10 2018, relating to Momentus’s planned initial in space test mission. In connection
11 with that submission, Momentus and Astro Digital publicly filed a document titled
12 “Form 442, Technical Question 6 Response,” which stated under the heading
13 “Mission Summary”:

14 The Momentus X1 microwave electrothermal thruster (MET)
15 spacecraft mission is a commercial demonstration of a propulsion
16 system to exhibit its applicability to small spacecraft . . . The mission
17 will demonstrate the reliability, longevity, performance, and utility of
18 the microwave-based plasma propulsion system, which utilizes water
19 as a propellant. A propulsion system suitable for 16U CubeSat
20 vehicles or larger that is cost-effective enables more orbital
maneuverability for a large class of space vehicles. Areas where this
could be of benefit include orbital debris removal missions, collision
avoidance, beyond-LEO missions, and smallsat deorbiting.

21 182. The same document, under the heading “Specific objectives of the
22 Research Project,” stated:

23 The research objectives of this project are: . . . To demonstrate that
24 microwave electrothermal thrusters provide cost-effective high delta
25 V capability to SmallSats via orbital maneuvering. This mission will
26 show that this particular system is mature enough to be used by the
27 small satellite market, and can be quickly and easily integrated with
28 CubeSats as well as larger, more capable spacecraft. This provides an
immediate low-cost mechanism for a wide range of space vehicles to
integrate with a low risk profile.

1
2 183. In a January 14, 2019 blog post on the Momentus website discussing
3 this initial in space test flight, Momentus claimed:

4 The purpose of El Camino Real will be to flight demonstrate our core
5 propulsion technology so customers, investors, and stakeholders can
6 have absolute confidence that when they sign up for a Momentus
7 Space service, it will be on time, safe and reliable. We will be flying
8 our high performance X-Band (10 GHz)microwave electrothermal
9 thruster with enough water propellant that we will be able to run the
thruster long enough to fully characterize its performance in space
with dozens of stop start cycles and then safely de-orbit the vehicle.

10 184. In a September 25, 2019 article titled “Momentus reports success in
11 testing water plasma propulsion,” published by the space industry publication Space
12 News, Defendant Kokorich is quoted as stating:

13 The on-orbit testing has demonstrated for the first time that
14 microwave electrothermal plasma technology has the potential to
15 achieve high specific impulse using water propellant . . . Water
16 plasma propulsion is now technologically mature enough to be
baselined for operational in-space transportation missions.

17 185. The article further quoted Defendant Kokorich as stating, “[t]he
18 purpose of the El Camino Real mission was to flight demonstrate our core
19 propulsion technology so customers, investors and stakeholders can have absolute
20 confidence that Momentus will deliver their payloads to a given orbit.”

21 186. These statements, combined with Defendants’ Class Period public
22 statements touting the “successful” in space test of Momentus’s technology,
23 materially misled investors regarding the purposes and results of Momentus’s one
24 and only in space test. As detailed in Section V.B, *supra*, Momentus’s only in space
25 test was a failure, and it was not designed to demonstrate, and was not capable of
26 demonstrating, the commercial viability of Momentus’s technology.

1 **B. October 7, 2020 Merger Agreement Announcement**

2 187. The Class Period begins on October 7, 2020 when Defendants
3 announced the proposed merger between SRAC and Momentus in communications
4 including: (i) a joint press release from SRAC and Momentus, (ii) an investor
5 presentation prepared by Momentus and filed with the SEC by SRAC, (iii) a
6 conference call with Defendants Kabot and Kokorich participating, the script for
7 which was filed with the SEC by SRAC, and (iv) a televised interview with
8 Defendant Kabot on CNBC, the transcript of which was filed with the SEC by
9 SRAC. SRAC filed these documents with the SEC as exhibits to current reports
10 signed by Defendant Kabot.

11 **1. National Security Risks**

12 188. The joint press release from SRAC and Momentus stated “The
13 Company plans to launch its first Vigoride vehicle in December 2020 with
14 commercial customers and four to five Vigorides in 2021.”

15 189. The investor presentation presented a timeline under the heading “First
16 Mover with Rapid Progress To Date,” forecasting four launches by the end of 2021.

17 190. In the television interview, Defendant Kabot stated regarding
18 Momentus’s launch schedule:

19 Our first commercial launch will be in December 2020 with SpaceX.
20 We have a pretty full vehicle of satellites to deliver. And then we have
21 a phenomenal launch cadence for 2021 going up with SpaceX in
22 February, June, and December 2021. We actually have one and a half
23 vehicles already booked for December 2021. So pretty aggressive
 launch cadence with SpaceX.

24 191. The conference call script quotes Defendant Kokorich as saying “I am
25 the Founder and CEO of Momentus . . . We are a first mover in offering space
26 transportation and infrastructure services, powered by our groundbreaking water
27 plasma propulsion technology.” The conference call script further quotes Defendant
28

1 Kokorich as saying that Momentus “will be conducting our first flight with
2 customers in December 2020.”

3 192. The joint press release from SRAC and Momentus quoted Defendant
4 Kokorich as stating, “Momentus is at the forefront of the new space economy and is
5 poised to capitalize on the significant growth opportunity as a first mover.” The
6 press release further quoted Defendant Kokorich as stating “[w]e expect to deploy
7 the proceeds of this transaction to support our rapid growth and operations, and to
8 support our capital needs as we ramp up revenues.”

9 193. The joint press release from SRAC and Momentus quoted Defendant
10 Kabot as stating “As the only public, pure-play commercial space company capable
11 of revolutionizing space infrastructure, Momentus is poised to capitalize on its
12 market-defining position.”

13 194. The investor presentation stated, “Exceptional Team Led By Visionary
14 Founder,” prominently featuring a picture of Defendant Kokorich, who it described
15 as a “Visionary space entrepreneur and innovator,” and who it identified as
16 Momentus’s CEO and founder. The presentation also stated under the heading
17 “Momentus Opportunity,” “Well-seasoned team with experience in aerospace,
18 propulsion and robotics piloted by visionary leader and innovator,” in reference to
19 Defendant Kokorich.

20 195. The conference call script quotes Defendant Kabot as stating, “[w]ith
21 its visionary founder, highly experienced management team, progress to date and
22 significant commercial traction, Momentus is set to revolutionize and enable the
23 future of the space economy.”

24 196. The statements in ¶¶188-95 were materially false and/or misleading
25 when made and/or omitted to state material facts necessary to make the statements
26 not misleading, because they failed to disclose, among other things, the adverse
27 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
28 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the

1 federal government would significantly restrict Momentus’s operations so long as
2 Kokorich remained an officer or shareholder, and likewise made it highly unlikely
3 that the federal government would grant Momentus the approvals necessary to
4 achieve its advertised launch schedule.

5 197. In addition, the statements of SRAC and Defendant Kabot in ¶¶188-95
6 were materially false and/or misleading when made and/or omitted to state material
7 facts necessary to make the statements not misleading, because they failed to
8 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
9 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
10 SRAC and Defendant Kabot had not performed adequate due diligence on
11 Kokorich’s national security risks, their statements regarding his continued
12 involvement with Momentus and regarding Momentus’s planned launch schedule
13 lacked any reasonable basis and so were materially misleading.

14 2. Momentus’s Technology

15 198. The investor presentation under the heading “Company Overview,”
16 stated, “Groundbreaking water propulsion technology that significantly reduces
17 costs and is reusable,” and “Successfully tested water based propulsion technology
18 on a demo flight launched mid-2019 – is still operational today.”

19 199. In the television interview, Defendant Kabot stated “we had a very
20 successful test launch, the vehicle is still flying around in space, which is great.”

21 200. The joint press release from SRAC and Momentus stated “Momentus
22 offers its customers significantly more affordable access to space by combining the
23 capabilities of low-cost launch vehicles and Momentus’ transport and service
24 vehicles, powered by water plasma propulsion technology . . . In 2019, the Company
25 successfully tested its water plasma propulsion technology in space.”

26 201. The investor presentation presented a timeline under the heading “First
27 Mover with Rapid Progress To Date,” reflecting the “El Camino test flight” in 2019.
28

1 202. The investor presentation presented a slide titled “Cornerstone Water
2 Propulsion Innovation” which stated “High ISP . . . 2 to 5 times any chemical
3 propulsion system” and “High thrust . . . 10 times higher than most electric
4 propulsion.”

5 203. The joint press release from SRAC and Momentus quoted Defendant
6 Kokorich as stating, “The technologies we’ve developed or built upon, including our
7 groundbreaking water plasma propulsion, will support growing demand from the
8 booming satellite industry with affordable, versatile and low risk transportation and
9 infrastructure services.”

10 204. The conference call script quotes Defendant Kokorich as saying, “We
11 are building upon last year’s successful in-space test of our water plasma propulsion
12 and will be conducting our first flight with customers in December 2020.” The script
13 also quotes Defendant Kokorich as stating, “We are a first mover in offering space
14 transportation and infrastructure services, powered by our groundbreaking water
15 plasma propulsion technology.” The script further quotes Defendant Kokorich
16 stating:

17 At the heart of our vehicles is our groundbreaking water plasma
18 propulsion technology, which uses simple water as a propellant. Our
19 system was designed to be safe, inexpensive and offer an excellent
20 mix of thrust and efficiency. Our thruster is more efficient than
21 conventional chemical propulsion and has higher thrust than electric
22 propulsion, such as Hall-effect thrusters.

23 205. The statements in ¶¶198-204 were materially false and/or misleading
24 when made and/or omitted to state material facts necessary to make the statements
25 not misleading, because they failed to disclose, among other things, the adverse
26 facts detailed in Section V.B, *supra*, regarding Momentus’s in space test failure.
27 These undisclosed adverse facts directly contradicted Defendants’ claims to have
28 successfully tested Momentus’s technology in space, and rendered Defendants’

1 statements about the properties and commercial readiness of this technology
2 materially misleading.

3 206. In addition, the statements of SRAC and Defendant Kabot in ¶¶198-
4 204 were materially false and/or misleading when made and/or omitted to state
5 material facts necessary to make the statements not misleading, because they failed
6 to disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
7 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
8 SRAC and Defendant Kabot had not performed adequate due diligence on the El
9 Camino Real mission, their statements regarding the results of this mission and the
10 commercial readiness of Momentus’s technology lacked any reasonable basis and so
11 were materially misleading.

12 **3. Financial Projections**

13 207. The investor presentation stated under the heading “Transaction
14 Highlights,” “No additional capital needs expected prior to achieving profitability.”

15 208. The joint press release from SRAC and Momentus stated “As of
16 September 30, 2020, the Company had customer contracts which represent
17 approximately \$90 million in potential revenue over the next several years.”

18 209. The investor presentation contained a slide titled “Significant Customer
19 Traction and Expected Demand,” which stated, “Signed Contracts >\$90M.”

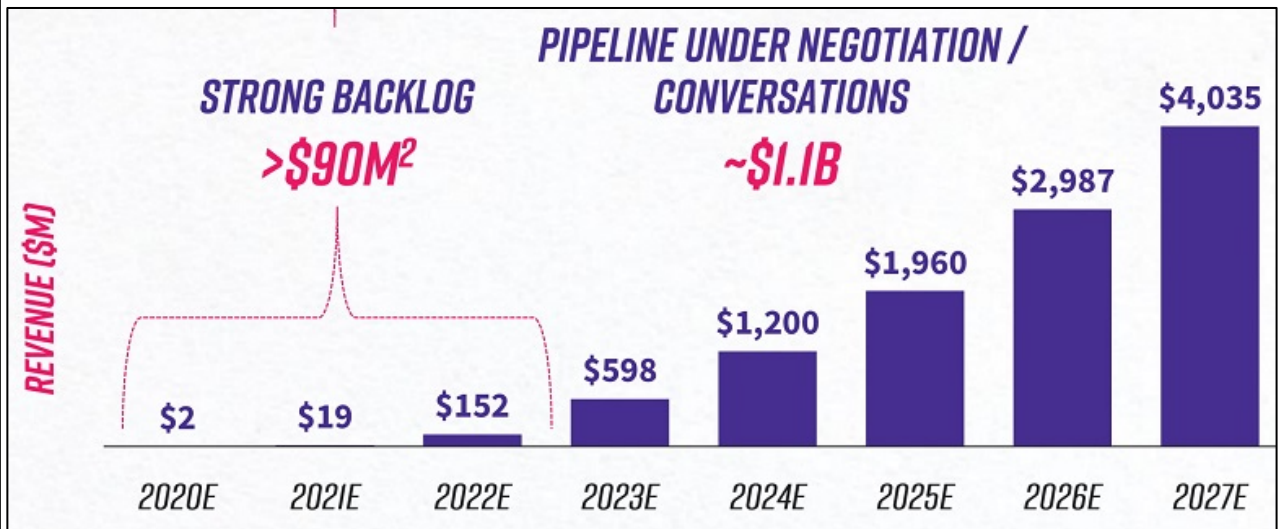
20 210. In the television interview, the interviewer asked, “I read that the
21 company has contracts for \$90 million in potential revenue – I should not, potential
22 – over the next several of years, what kind of risk is involved in those kind of
23 forecasts?” Defendant Kabot responded “That \$90 million is fully contracted and
24 then a portion are options that are written into the agreements.”

25 211. The joint press release from SRAC and Momentus stated “Combined
26 company will have an estimated enterprise value of approximately \$1.2 billion”

27 //

28 //

212. The investor presentation contained the following revenue projections:



213. The investor presentation repeated these revenue projections under the heading “Clear Path to Profitability and >\$1B in EBITDA.”

214. The conference call script quotes Defendant Kokorich as stating that “we believe that our financial projections assume a conservative market capture,” and further stating:

Commercially, we have seen strong market traction. Our customers include defense primes such as Lockheed Martin, government agencies such as NASA, and dozens of small satellite manufacturers and operators. Our backlog encompasses the initial and early deployment of our customers’ constellations, and we expect our backlog with existing customers will grow by many multiples as we plan to serve the rollout of our customers’ constellations. We have several substantial opportunities currently in negotiation or in discussions, worth more than \$1 billion of additional potential revenue.

We expect good margin expansion over the next few years and we are projecting that we will be profitable by 2023 and operating at or near run-rate margins by 2025. On a run rate basis, we expect gross margins of around 70%, and EBITDA margins of 60%.

215. The statements in ¶¶207-14 were materially false and/or misleading when made and/or omitted to state material facts necessary to make the statements

1 not misleading, because they failed to disclose, among other things, the adverse
2 facts detailed in Section V.C, *supra*, regarding financial projections. The
3 undisclosed adverse facts regarding Kokorich’s national security risks and
4 Momentus’s failed in space test made the assumptions underlying the financial
5 projections and related metrics unreasonable, and made it highly unlikely that these
6 projections and related metrics would be achieved.

7 216. In addition, the statements of SRAC and Defendant Kabot in ¶¶207-14
8 were materially false and/or misleading when made and/or omitted to state material
9 facts necessary to make the statements not misleading, because they failed to
10 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
11 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
12 SRAC and Defendant Kabot had not performed adequate due diligence on
13 Kokorich’s national security risks or the El Camino Real mission, their statements
14 regarding financial projections and related metrics for Momentus, which depended
15 on key assumptions regarding Momentus’s launch schedule and technology, lacked
16 any reasonable basis and so were materially misleading.

17 4. Due Diligence

18 217. In the television interview, the interviewer asked, “Speaking of SPACs
19 right, I came into this segment saying blank check bonanza, SPAC-a-palooza . . .
20 I’m wondering what you make of it and whether you think there’s just too many.”
21 Defendant Kabot responded:

22 I think it’s very healthy, right . . . And what I think is great for the
23 investor is we did four months of due diligence. We spent a lot of
24 money with some of the top service providers out there from Stellar
25 Solutions to Kirkland and Ellis, from Orrick to Evercore to cantor
26 completing our underwriting, right, we did four months of due
27 diligence, which in a traditional ipo you would never have the
28 opportunity to do, so I think SPACs are very healthy for the market.

1 218. The statements of SRAC and Defendant Kabot in ¶217 were materially
2 false and/or misleading when made and/or omitted to state material facts necessary
3 to make the statements not misleading, because they failed to disclose, among other
4 things, the adverse facts detailed in Section V.D, *supra*, regarding SRAC’s failure to
5 perform adequate due diligence on Momentus. Because SRAC and Defendant Kabot
6 had not performed adequate due diligence on Momentus, their statements touting
7 their due diligence process were materially misleading.

8 **C. October 13, 2020 Updated Investor Presentation**

9 219. On October 13, 2020, SRAC filed with the SEC a current report on
10 Form 8-K, signed by Defendant Kabot, which contained as an exhibit an updated
11 version of the investor presentation filed by SRAC on October 7, 2020.

12 220. The false and misleading statements and omissions contained in this
13 updated investor presentation were identical or substantially similar to the false and
14 misleading statements and omissions contained in the previously published investor
15 presentation as detailed in Section VIII.B, *supra*, and were false and misleading for
16 the same reasons detailed Sections VIII.B and V.

17 **D. November 2, 2020 Registration Statement**

18 221. On November 2, 2020, SRAC filed a registration statement on Form S-
19 4 with the SEC seeking shareholder approval of the merger. The registration
20 statement was signed by Defendant Kabot, Defendant Norris, and by each member
21 of SRAC’s board of directors including Defendant Hofmockel. The registration
22 statement incorporated information about Momentus that was supplied to SRAC by
23 Momentus and the Momentus Individual Defendants.

24 **1. National Security Risks**

25 222. The registration statement stated that, “[u]pon the consummation of the
26 Business Combination, the Company’s co-founder, Mr. Kokorich, will serve as
27 Chief Executive Officer and a director of the Combined Company.” The registration
28

1 statement further stated, “[w]e believe Mikhail Kokorich will play a vital role in
2 helping us achieve our goals and advance the interests of our stockholders,” and that
3 “[w]e believe that Mr. Kokorich is qualified to serve as a member of the board of
4 directors of the Combined Company because of his extensive professional
5 experience in the space technology industry and deep knowledge of the operations
6 of Momentus as our Chief Executive Officer.”

7 223. The registration statement stated that “[w]e plan to launch the first
8 iteration of our pioneer transport vehicle, Vigoride, in December 2020, followed by
9 five vehicles in 2021. All of our flights, beginning in December 2020, will have
10 paying customers onboard.” The registration statement similarly stated that
11 “Vigoride’s first commercial mission is planned to launch in December 2020,
12 followed by launches in April 2021, June 2021, and December 2021.”

13 224. The registration statement stated that, “restrictions on the ability of
14 foreign persons to invest in us could limit our ability to engage in strategic
15 transactions that could benefit our stockholders.”

16 225. The registration statement stated that “it is possible that Mr. Kokorich’s
17 controlling interests in the Company, or perceptions surrounding Mr. Khasis and his
18 affiliation with Sberbank, could make it more difficult to obtain CFIUS approval in
19 connection with future potential investments by the Company in U.S. businesses.”
20 The registration statement further stated that:

21 With respect to any investment by Momentus that is within CFIUS’s
22 jurisdiction . . . CFIUS could block the consummation of an
23 acquisition or investment within its jurisdiction or could order
24 divestiture after the transaction is completed. Recently, a number of
25 stockholders of a U.S. company, including Mr. Kokorich, divested
their interests in such company pursuant to an order by CFIUS.

26 226. Regarding Momentus’s application to the BIS for an export license to
27 provide its technology to Defendant Kokorich, the registration statement stated that:
28

1 We have been pursuing a BIS license since early 2018 to authorize the
2 deemed export of the Company's controlled technology to Mr.
3 Kokorich, but we have not yet been able to obtain such a license, and
4 there is no assurance we will ever be able to obtain such a license in
5 the future. If we continue to operate without such a license, Mr.
6 Kokorich will continue to be unable to access this controlled
7 technology for as long as he remains a non-US person. While we
8 believe that if the current restrictions on Mr. Kokorich's access to
9 controlled technology remain in place, we will be able to continue to
10 operate our business without any material adverse impact on us, it is
11 possible that these restrictions could in the future lead to
12 complications or other issues that may have a material adverse impact
13 on our operations.

14 227. Regarding Defendant Kokorich's immigration status, the registration
15 statement stated that:

16 Momentus' co-founder and Chief Executive Officer, Mikhail
17 Kokorich, who will be the Chief Executive Officer of the Combined
18 Company, is a citizen of the Russian Federation who is seeking
19 asylum in the United States and is authorized to work in the United
20 States while his asylum application is pending. While Momentus
21 believes Mr. Kokorich's application will be granted, if for any reason
22 it is not, he may not be able to remain in the United States, which
23 could make it difficult for him to perform his duties as Chief
24 Executive Officer and as a director of the Company and the Combined
25 Company, which would adversely impact us.

26 228. The statements in ¶¶222-27 were materially false and/or misleading
27 when made and/or omitted to state material facts necessary to make the statements
28 not misleading, because they failed to disclose, among other things, the adverse
facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
federal government would significantly restrict Momentus's operations so long as
Kokorich remained an officer or shareholder, and likewise made it highly unlikely
that the federal government would grant Momentus the approvals necessary to
achieve its advertised launch schedule.

1 229. In addition, the statements in ¶¶224-27 were materially false and/or
2 misleading when made because the risk warnings presented as mere hypothetical
3 risks adverse events that had already materialized; and the risk warnings failed to
4 disclose specific facts concerning regulatory actions involving Defendant Kokorich,
5 as detailed in Section V.A, *supra*, that were necessary for investors to understand
6 the magnitude and/or probability of the risks at issue.

7 230. In addition, the statements of SRAC and the SRAC Individual
8 Defendants in ¶¶222-27 were materially false and/or misleading when made and/or
9 omitted to state material facts necessary to make the statements not misleading,
10 because they failed to disclose, among other things, the adverse facts detailed in
11 Section V.D, *supra*, regarding SRAC’s failure to perform adequate due diligence on
12 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
13 adequate due diligence on Kokorich’s national security risks, their statements
14 regarding his continued involvement with Momentus, Momentus’s planned launch
15 schedule, and Momentus’s regulatory risks lacked any reasonable basis and so were
16 materially misleading.

17 **2. Momentus’s Technology**

18 231. The registration statement stated that, “Momentus has developed a
19 portfolio of technologies, including its cornerstone water plasma propulsion
20 technology, which it successfully tested in space in 2019.”

21 232. The registration statement stated that “[o]ur revolutionary water plasma
22 propulsion technology provides a unique competitive advantage for our vehicles and
23 services,” and that “[w]e view this technology as ground-breaking, as it can achieve
24 considerable propulsive thrust level while maintaining high ISP, which enables a
25 shorter duration of missions, an enhanced reach, and excellent payload mass ratio.”

26 233. The registration statement reproduced a slide from the
27 SRAC/Momentus investor presentations previously published on October 7, 2020
28 and October 13, 2020, which slide was titled “Cornerstone Water Propulsion

1 Innovation,” and which stated “High ISP . . . 2 to 5 times any chemical propulsion
2 system” and “High thrust . . . 10 times higher than most electric propulsion.”

3 234. The registration statement, under the heading “Competitive Advantage
4 Overview,” stated:

5 A key space-specific barrier to entry is flight heritage. Ultimately the
6 only way to assess the reliability of a product, such as satellites or
7 launch services, is by seeing a history of successful results, which in
8 turn influences insurance rates and customers’ perceptions. Therefore,
9 we believe that our status as a first mover will offer a substantial
competitive advantage as we continue to build flight heritage ahead of
competitors.

10 235. The statements in ¶¶231-34 were materially false and/or misleading
11 when made and/or omitted to state material facts necessary to make the statements
12 not misleading, because they failed to disclose, among other things, the adverse
13 facts detailed in Section V.B, *supra*, regarding Momentus’s in space test failure.
14 These undisclosed adverse facts directly contradicted Defendants’ claims to have
15 successfully tested Momentus’s technology in space, and rendered Defendants’
16 statements about the properties and commercial readiness of this technology
17 materially misleading.

18 236. In addition, the statements of SRAC and the SRAC Individual
19 Defendants in ¶¶231-34 were materially false and/or misleading when made and/or
20 omitted to state material facts necessary to make the statements not misleading,
21 because they failed to disclose, among other things, the adverse facts detailed in
22 Section V.D, *supra*, regarding SRAC’s failure to perform adequate due diligence on
23 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
24 adequate due diligence on the El Camino Real mission, their statements regarding
25 the results of this mission and the commercial readiness of Momentus’s technology
26 lacked any reasonable basis and so were materially misleading.

3. Financial Projections

237. The registration statement stated that, “The Combined Company will have an anticipated initial enterprise value of \$1.2 billion, implying a 1.0x multiple of 2025 projected EBITDA as Momentus’ operations are expected to achieve scale.”

238. The registration statement stated that, “we have received significant interest from a wide range of different customers across different satellite applications. Our current signed backlog (as of November 1, 2020) is worth approximately \$90 million in potential revenue and continues to increase, while our pipeline consists of approximately \$1.1 billion in potential contracts in negotiation or early conversations.”

239. The registration statement contained the following revenue projections:

(\$ in millions)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Satellite Transportation Services ⁽¹⁾	\$ 2	\$ 19	\$ 122	\$ 435	\$ 852	\$ 1,089	\$ 1,453	\$ 1,717
Satellite as a Service ⁽¹⁾	—	—	30	153	319	721	1,192	1,650
In-Orbit Services ⁽¹⁾	—	—	—	10	29	150	343	669
Revenue⁽¹⁾	\$ 2	\$ 19	\$ 152	\$ 598	\$ 1,200	\$ 1,960	\$ 2,987	\$ 4,035
(%) Growth	NM	809%	718%	293%	101%	63%	52%	35%

240. The registration statement claimed that “in the view of Momentus’ management,” these projections “reflect[] to the best of management’s knowledge and reasonable belief at the time of preparation, the expected course of action and the expected future financial performance of Momentus as of the date of preparation.”

241. The statements in ¶¶237-40 were materially false and/or misleading when made and/or omitted to state material facts necessary to make the statements not misleading, because they failed to disclose, among other things, the adverse facts detailed in Section V.C, *supra*, regarding financial projections. The undisclosed adverse facts regarding Kokorich’s national security risks and Momentus’s failed in space test made the assumptions underlying the financial

1 projections and related metrics unreasonable, and made it highly unlikely that these
2 projections and related metrics would be achieved.

3 242. In addition, the statements of SRAC and the SRAC Individual
4 Defendants in ¶¶237-40 were materially false and/or misleading when made and/or
5 omitted to state material facts necessary to make the statements not misleading,
6 because they failed to disclose, among other things, the adverse facts detailed in
7 Section V.D, *supra*, regarding SRAC’s failure to perform adequate due diligence on
8 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
9 adequate due diligence on Kokorich’s national security risks or the El Camino Real
10 mission, their statements regarding financial projections and related metrics for
11 Momentus, which depended on key assumptions regarding Momentus’s launch
12 schedule and technology, lacked any reasonable basis and so were materially
13 misleading.

14 4. Due Diligence

15 243. Regarding SRAC’s due diligence, the registration statement stated that:

16 During the period between the execution of the Confidentiality
17 Agreement and the execution of the Merger Agreement on October 7,
18 2020, SRAC and its advisors conducted extensive due diligence with
19 respect to Momentus’ financial model, customer base and customer
20 contracts, total addressable market, industry in which Momentus
21 operates, companies comparable to Momentus and aero-defense
22 companies with similar characteristics, technology solutions,
23 intellectual property and relationship with SpaceX. Momentus
24 provided representatives of SRAC and its advisors with, among other
25 materials in connection with SRAC’s diligence review, confidential
26 presentations reflecting an overview of Momentus’ business, as well
27 as financial forecasts and written responses to detailed business and
28 financial due diligence questions.

244. The registration statement further stated that, “[r]epresentatives of each
of SRAC and Momentus, as well as each of their advisors, met telephonically

1 several times throughout July, August and September 2020 to discuss disclosure
2 requests and responses in connection with SRAC’s diligence review.”

3 245. The registration statement further stated that, “[o]n September 1, 2020,
4 SRAC engaged Stellar Solutions to assist with technical due diligence, including
5 with respect to Momentus’ R&D strategy, vehicle development to date, testing
6 progress and competitive market positioning,” and that “[f]rom September 25, 2020
7 until signing on October 7, 2020, SRAC had multiple teleconferences and email
8 exchanges with representatives of K&E, Stellar Solutions, RSM and certain of its
9 other advisors regarding the results of their due diligence review of Momentus and
10 any outstanding areas of their due diligence review.”

11 246. The registration statement stated that in deciding to approve the merger
12 agreement, SRAC’s board of directors “considered the scope of the due diligence
13 investigation conducted by SRAC’s management and outside advisors and evaluated
14 the results thereof,” including “extensive meetings and calls with the Momentus
15 management team,” “review of materials related to Momentus made available by
16 Momentus, including . . . export control and security matters,” “review of financial
17 due diligence materials prepared by professional advisors,” “technical diligence by
18 a third party systems engineering service provider with significant experience in
19 system and subsystem design and propulsion technology,” and “discussions with
20 industry experts.”

21 247. The statements of SRAC and the SRAC Individual Defendants in
22 ¶¶243-46 were materially false and/or misleading when made and/or omitted to state
23 material facts necessary to make the statements not misleading, because they failed
24 to disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
25 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
26 SRAC and the SRAC Individual Defendants had not performed adequate due
27 diligence on Momentus, their statements touting their due diligence process were
28 materially misleading.

1 **E. November 17, 2020 Analyst Day Presentation**

2 248. On November 17, 2020, SRAC filed with the SEC a current report on
3 Form 8-K, signed by Defendant Kabot, which contained as an exhibit an “analyst
4 day” presentation which was substantially similar to the investor presentations
5 previously filed by SRAC on October 7, 2020 and October 13, 2020.

6 249. The false and misleading statements and omissions contained in this
7 analyst day presentation were identical or substantially similar to the false and
8 misleading statements and omissions contained in the previously published investor
9 presentations (with the exception that the November 17, 2020 analyst day
10 presentation omitted the “Transaction Highlights” slide) as detailed in Section
11 VIII.B, *supra*, and were false and misleading for the same reasons detailed Sections
12 VIII.B and V.

13 **F. December 14, 2020 Amended Registration Statement And Updated**
14 **Investor Presentation**

15 250. On December 14, 2020, SRAC filed with the SEC a current report on
16 Form 8-K, signed by Defendant Kabot, which contained an updated investor
17 presentation which was substantially similar to the investor presentations previously
18 filed by SRAC on October 7, 2020 and October 13, 2020, and to the analyst day
19 presentation previously filed by SRAC on November 17, 2020.

20 251. The false and misleading statements and omissions contained in this
21 updated investor presentation were identical or substantially similar to the false and
22 misleading statements and omissions contained in the previously published investor
23 presentations as detailed in Section VIII.B, *supra*, and were false and misleading for
24 the same reasons detailed Sections VIII.B and V.

25 252. On December 14, 2020, SRAC also filed an amended registration
26 statement on Form S-4/A with the SEC seeking shareholder approval of the merger.
27 The amended registration statement was signed by Defendant Kabot and Defendant
28 Norris, and by Defendant Kabot as attorney-in-fact for each member of SRAC’s

1 board of directors including Defendant Hofmockel. The amended registration
2 statement incorporated information about Momentus that was supplied to SRAC by
3 Momentus and the Momentus Individual Defendants. The amended registration
4 statement was substantially similar to the version previously filed by SRAC on
5 November 2, 2020.

6 253. The false and misleading statements and omissions contained in this
7 amended registration statement were identical or substantially similar to the false
8 and misleading statements and omissions contained in the previously published
9 registration statement (with the exception that Momentus’s planned inaugural
10 commercial mission was postponed from December 2020 to January 2021) as
11 detailed in Section VIII.D, *supra*, and were false and misleading for the same
12 reasons detailed Sections VIII.D and V.

13 254. In addition, the December 14, 2020 amended registration statement
14 added new misleading statements regarding Momentus’s application to the BIS for
15 an export license to provide its technology to Defendant Kokorich, stating
16 “notwithstanding the restrictions on Mr. Kokorich’s access to export-controlled
17 materials, Momentus has been able to secure contracts with customers ranging from
18 private space companies to established U.S. space industry entities such as NASA
19 and Lockheed Martin.”

20 255. In discussing Momentus’s BIS application, the amended registration
21 statement further stated, “Mr. Kokorich is pursuing several paths to U.S. Person
22 status, and we believe that he meets all of the legal requirements to be granted such
23 status in the United States. Momentus is also continuing to pursue appropriate
24 export licensure for Mr. Kokorich.”

25 256. The statements in ¶¶254-55 were materially false and/or misleading
26 when made and/or omitted to state material facts necessary to make the statements
27 not misleading, because they failed to disclose, among other things, the adverse
28 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to

1 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
2 federal government would significantly restrict Momentus’s operations so long as
3 Kokorich remained an officer or shareholder, and made it highly unlikely that the
4 federal government would grant Kokorich U.S. Person status.

5 257. In addition, the statements of SRAC and the SRAC Individual
6 Defendants in ¶¶254-55 were materially false and/or misleading when made and/or
7 omitted to state material facts necessary to make the statements not misleading,
8 because they failed to disclose, among other things, the adverse facts detailed in
9 Section V.D, *supra*, regarding SRAC’s failure to perform adequate due diligence on
10 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
11 adequate due diligence on Kokorich’s national security risks, their statements
12 regarding his continued involvement with Momentus, whether he would be granted
13 U.S. Person status, and Momentus’s regulatory risks lacked any reasonable basis
14 and so were materially misleading.

15 **G. January 4-5, 2021 Press Release And Interviews**

16 258. On January 4, 2021 Momentus issued a press release, which SRAC
17 filed with the SEC as an exhibit to a current report on Form 8-K, signed by
18 Defendant Kabot. Also on January 4, 2021, IPO Edge published an interview with
19 Defendant Kennedy, which SRAC filed with the SEC. On January 5, 2021 Forbes
20 published an interview with Defendant Kokorich, which SRAC filed with the SEC.

21 **1. National Security Risks**

22 259. In the press release, Momentus stated regarding regulatory approvals
23 and its launch schedule that:

24 [Momentus] will be remanifesting its January 2021 mission to a
25 subsequent launch opportunity in 2021. This move will allow for the
26 additional time necessary to secure FAA approval of Momentus’
27 payloads, including completion of a standard interagency review.
28 Momentus currently holds all other necessary licenses for its Vigoride

1 vehicle. The Company has booked several additional launches with
2 SpaceX between June and December of 2021.

3 260. The press release quoted Defendant Kennedy as stating, “We will
4 continue to work with the FAA, as we have done successfully with other regulatory
5 agencies, to obtain approval in a timely manner.”

6 261. The IPO Edge interviewer asked Kennedy, “What caused the delays?”,
7 to which Defendant Kennedy replied in relevant part:

8 The most recent shift (from January 2021 to a subsequent launch in
9 2021) came about as result of a delay in the Federal Aviation
10 Administration’s (FAA’s) approval of Momentus’ spacecraft. The
11 FAA did not express any specific concerns of its own, but rather
12 indicated that more time was needed to complete its interagency
13 review of Momentus’ payload.

14 262. The IPO Edge interviewer asked, “What is the nature of this
15 interagency review, and is this the first time you are undergoing such a review?”, to
16 which Defendant Kennedy replied:

17 We are quite familiar with interagency review processes, and we have
18 cleared similar reviews for our other licenses. For example, we
19 recently cleared an interagency review as part of our effort to obtain a
20 license from the National Oceanic and Atmospheric Administration
21 (NOAA) to allow the operation of our spacecraft’s camera. While we
22 discuss interagency reviews in our S-4, these reviews are a standard
23 part of various license application processes, allowing multiple
24 government agencies – the Department of Commerce, Department of
25 Defense, Department of State, NASA, and others – to examine the
26 applications from their individual perspectives.

27 263. The IPO Edge interviewer asked, “You state in your S-4 that
28 interagency review may include a review of foreign ownership. Is that a concern for
Momentus?”, to which Defendant Kennedy replied:

NOAA and its partner agencies have already reviewed Momentus’
foreign ownership – this review was completed to the satisfaction of
these agencies, as evidenced by NOAA’s issuance of a license.

1 Momentus is approximately 74% U.S.-owned today, and this U.S.-
2 majority ownership is expected to increase to approximately 84%
3 upon the company’s merger with Stable Road. This merger is on
4 target to close in the first quarter of 2021 (subject to approval of
5 Stable Road’s and Momentus’ stockholders and other closing
6 conditions, including a registration statement being declared effective
7 by the SEC). We also mention in our S-4 that Mikhail Kokorich, the
8 CEO of Momentus and one of the company’s larger shareholders, is
9 an asylum seeker from the Russian Federation, currently pursuing
10 several paths to U.S. Person status. We believe that Mr. Kokorich
11 meets all legal requirements to be granted such status in the United
12 States, and that he will be offered U.S. citizenship, further increasing
13 U.S. ownership of Momentus.

14 264. The IPO Edge interviewer asked, “In addition to the FAA approval, are
15 there any other approvals/licenses Momentus still needs in order to launch
16 Vigoride?”, to which Defendant Kennedy replied, “No, Momentus currently holds
17 all necessary licenses for its Vigoride vehicle.”

18 265. The Forbes interviewer asked Kokorich, “Who is your biggest
19 inspiration?”, to which Defendant Kokorich replied:

20 My source of inspiration is the story of Igor Sikorsky, a great Russian-
21 American inventor, aviator and entrepreneur. I found a lot of
22 commonalities in his life and my own. He became famous and
23 successful in the Russian Empire, where he built the largest plane in
24 the world, and finally ran from the Bolshevik regime of Soviet Russia
25 to the United States. He created a large aerospace company and
26 became the inventor of a new class of flying machines: helicopters,
27 the possibility of which was predicted by the great Leonardo Da
28 Vinci.

29 266. The statements in ¶¶259-65 were materially false and/or misleading
30 when made and/or omitted to state material facts necessary to make the statements
31 not misleading, because they failed to disclose, among other things, the adverse
32 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
33 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
34 federal government would significantly restrict Momentus’s operations so long as

1 Kokorich remained an officer or shareholder, and likewise made it highly unlikely
2 that the federal government would grant Momentus the approvals necessary to
3 achieve its advertised launch schedule.

4 267. In addition, the statements of SRAC and Defendant Kabot in ¶¶259-65
5 were materially false and/or misleading when made and/or omitted to state material
6 facts necessary to make the statements not misleading, because they failed to
7 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
8 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
9 SRAC and Defendant Kabot had not performed adequate due diligence on
10 Kokorich’s national security risks, their statements regarding his continued
11 involvement with Momentus, Momentus’s planned launch schedule, and
12 Momentus’s regulatory risks lacked any reasonable basis and so were materially
13 misleading.

14 **2. Financial Projections**

15 268. In the press release, Momentus stated that “The Company reaffirms its
16 expectation of 2021 revenue as detailed in its December 2020 investor
17 presentation.”

18 269. The Press release quoted Defendant Kennedy as stating, “We anticipate
19 that by launching our first Vigoride vehicle on a subsequent mission, we will still
20 achieve our revenue expectations for 2021 while delivering our customers’ payloads
21 to orbit.”

22 270. The IPO Edge interviewer asked Defendant Kennedy, “How will the
23 new launch date impact your 2021 revenue?”, to which Defendant Kennedy replied,
24 “The number of launches did not change. Rather than launching in January, we will
25 launch this particular vehicle at our first opportunity, later this year. Hence, we do
26 not expect changes to our total revenue for 2021.”
27
28

1 271. The Forbes interviewer asked Kokorich, “Why did you choose the
2 SPAC route to going public? What are the benefits of this versus the traditional IPO
3 route?”, to which Defendant Kokorich replied:

4 During the SPAC merger process, a company can communicate its
5 plans and projections to the market, which is challenging to do during
6 the IPO process. This is especially valuable for fast-growing
7 companies, who place a lot of value in future growth. Additionally, a
8 company can negotiate and test its valuation during the PIPE process
9 before the deal becomes public and the company goes to market. PIPE
is common for SPAC deals, and it also signals to the market that the
valuation was negotiated with professional and reputable investors.

10 272. The statements in ¶¶268-71 were materially false and/or misleading
11 when made and/or omitted to state material facts necessary to make the statements
12 not misleading, because they failed to disclose, among other things, the adverse
13 facts detailed in Section V.C, *supra*, regarding financial projections. The
14 undisclosed adverse facts regarding Kokorich’s national security risks and
15 Momentus’s failed in space test made the assumptions underlying the financial
16 projections and related metrics unreasonable, and made it highly unlikely that these
17 projections and related metrics would be achieved.

18 273. In addition, the statements of SRAC and Defendant Kabot in ¶¶268-71
19 were materially false and/or misleading when made and/or omitted to state material
20 facts necessary to make the statements not misleading, because they failed to
21 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
22 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
23 SRAC and Defendant Kabot had not performed adequate due diligence on
24 Kokorich’s national security risks or the El Camino Real mission, their statements
25 regarding financial projections and related metrics for Momentus, which depended
26 on key assumptions regarding Momentus’s launch schedule and technology, lacked
27 any reasonable basis and so were materially misleading.

28

1 **H. January 25, 2021 Press Release**

2 274. On January 25, 2021 Momentus issued a press release, which SRAC
3 filed with the SEC as an exhibit to a current report on Form 8-K, signed by
4 Defendant Kabot. The press release announced that Momentus’s “Board of
5 Directors has appointed Dawn Harms, the Company’s Chief Revenue Officer, as a
6 director and interim CEO effective immediately, following the resignation of
7 director and founding CEO Mikhail Kokorich.”

8 275. The press release stated, “Momentus, in consultation with [SRAC], has
9 determined that accepting Mr. Kokorich’s resignation is in the best interest of the
10 Company, in an effort to expedite the resolution of U.S. government national
11 security and foreign ownership concerns surrounding the Company, the existence of
12 which the Company recently has confirmed.”

13 276. The press release quoted Defendant Kabot as stating, “We believe that
14 this leadership transition will position the company for success and help accelerate
15 regulatory reviews by the U.S. government . . . We have full confidence in Dawn
16 and the team to lead the Company to reach both near-term targets and achieve even
17 greater success over the longer-term.”

18 277. The statements in ¶¶274-76 were materially false and/or misleading
19 when made and/or omitted to state material facts necessary to make the statements
20 not misleading, because they failed to disclose, among other things, the adverse
21 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
22 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
23 federal government would significantly restrict Momentus’s operations so long as
24 Kokorich remained a shareholder, and likewise made it highly unlikely that the
25 federal government would grant Momentus the approvals necessary to achieve its
26 advertised launch schedule.

27 278. In addition, the statements of SRAC and Defendant Kabot in ¶¶274-76
28 were materially false and/or misleading when made and/or omitted to state material

1 facts necessary to make the statements not misleading, because they failed to
2 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
3 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
4 SRAC and Defendant Kabot had not performed adequate due diligence on
5 Kokorich’s national security risks, their statements regarding the effect of his
6 resignation, Momentus’s planned launch schedule, and Momentus’s regulatory risks
7 lacked any reasonable basis and so were materially misleading.

8 **I. March 8, 2021 Amended Registration Statement**

9 279. On March 8, 2021, SRAC filed an amended registration statement on
10 Form S-4/A with the SEC seeking shareholder approval of the merger. The amended
11 registration statement was signed by Defendant Kabot and Defendant Norris, and by
12 Defendant Kabot as attorney-in-fact for each member of SRAC’s board of directors
13 including Defendant Hofmockel. The amended registration statement incorporated
14 information about Momentus that was supplied to SRAC by Momentus and the
15 Momentus Individual Defendants.

16 280. The false and misleading statements and omissions contained in this
17 amended registration statement regarding Momentus’s technology, financial
18 projections, and SRAC’s due diligence were identical or substantially similar to the
19 false and misleading statements and omissions regarding these subjects as contained
20 in the previously published versions of the registration statement as detailed in
21 Section VIII.D, *supra*, and were false and misleading for the same reasons detailed
22 Sections VIII.D and V.

23 281. In addition, the amended registration statement disclosed regarding
24 Defendant Kokorich’s resignation:

25 On January 21, 2021, Momentus became aware of correspondence
26 from the U.S. Department of Defense (“DoD”) stating Momentus
27 posed a risk to national security as a result of the foreign ownership
28 and control of Momentus by Mikhail Kokorich and Lev Khasis and
their associated entities, as well as concerns regarding disclosures

1 relating to such matters made by Stable Road in its SEC filings in
2 connection with the Business Combination. In an effort to expedite
3 the resolution of these U.S. Government concerns, on January 23,
4 2021, Mr. Kokorich resigned as Momentus’ Chief Executive Officer
and as a director of Momentus.

5 282. The amended registration statement described Kokorich’s
6 relinquishment of voting rights in his Momentus stock as part of efforts to overcome
7 the U.S. government’s national security concerns:

8 As contemplated by the CFIUS notice, on March 1, 2021, each of (i)
9 Mr. Kokorich (and Nortrone Finance S.A. (“Nortrone”), which is
10 wholly owned and controlled by Mr. Kokorich and his wife
11 (collectively, the “Kokorich Parties”)), and (ii) Brainyspace LLC
12 (“Brainyspace”) (the beneficial owner of which is Olga Khasis, a U.S.
13 citizen and wife of Lev Khasis, a co-founder and former director of
14 Momentus who is a legal permanent U.S. resident and also a Russian
citizen), relinquished their ability to direct the voting of any shares in
Momentus through the implementation of trust structures and certain
voting arrangements.

15 283. The amended registration statement disclosed that Kokorich planned to
16 remain a shareholder of Momentus for several years, stating “The Kokorich Parties
17 and Brainyspace have agreed with Momentus that they will fully divest their shares
18 by March 1, 2024, or as required by CFIUS.”

19 284. The amended registration statement discussed Momentus’s planned
20 launch schedule, stating “Vigoride’s first two commercial missions are planned to
21 launch in June 2021, followed by a mission in August 2021 and three additional
22 missions in December 2021.”

23 285. The statements in ¶¶281-84 were materially false and/or misleading
24 when made and/or omitted to state material facts necessary to make the statements
25 not misleading, because they failed to disclose, among other things, the adverse
26 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
27 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
28

1 federal government would significantly restrict Momentus's operations so long as
2 Kokorich remained a shareholder, and likewise made it highly unlikely that the
3 federal government would grant Momentus the approvals necessary to achieve its
4 advertised launch schedule.

5 286. In addition, the statements of SRAC and the SRAC Individual
6 Defendants in ¶¶281-84 were materially false and/or misleading when made and/or
7 omitted to state material facts necessary to make the statements not misleading,
8 because they failed to disclose, among other things, the adverse facts detailed in
9 Section V.D, *supra*, regarding SRAC's failure to perform adequate due diligence on
10 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
11 adequate due diligence on Kokorich's national security risks, their statements
12 regarding the effect of his resignation, Momentus's planned launch schedule, and
13 Momentus's regulatory risks lacked any reasonable basis and so were materially
14 misleading.

15 **J. April 7, 2021 Preliminary Proxy Statement And Updated Investor**
16 **Presentation**

17 287. On April 7, 2021, SRAC filed with the SEC a current report on Form 8-
18 K, signed by Defendant Kabot, which contained as an exhibit an updated version of
19 the investor presentations previously published by SRAC and Momentus. Also on
20 April 7, 2021, SRAC filed with the SEC a preliminary proxy statement on Form
21 14A, signed by Defendant Kabot, to postpone its May 13, 2021 deal deadline.

22 288. The false and misleading statements and omissions relating to
23 Momentus's technology that were contained in the updated investor presentation
24 were identical or substantially similar to the false and misleading statements and
25 omissions on that subject contained in the previously published investor
26 presentations as detailed in Section VIII.B, *supra*, and were false and misleading for
27 the same reasons detailed Sections VIII.B and V.
28

1 **1. National Security Risks**

2 289. The preliminary proxy statement stated regarding Momentus’s efforts
3 to resolve regulatory concerns, “Momentus has undertaken several important actions
4 in an effort to further accelerate the resolution of these concerns,” including “The
5 entry into trust structures and certain voting arrangements providing for the
6 complete relinquishment of the ability to direct the voting of shares of Momentus by
7 Mr. Kokorich and Mr. Khasis and/or their associated entities,” and “Arrangements
8 providing for the complete divestment of shares of Momentus by Mr. Kokorich and
9 Mr. Khasis and/or their associated entities by March 1, 2024 or as required by
10 CFIUS.”

11 290. The preliminary proxy statement stated, “Momentus’ first launch of
12 customer payloads is currently anticipated to occur in June 2021 on a SpaceX
13 Falcon-9 rocket,” and further stated that “Momentus still plans to build and launch
14 six Momentus vehicles in 2021 in three launches.”

15 291. The investor presentation likewise contained a timeline forecasting
16 Momentus’s launch of six Momentus vehicles in 2021 in three launches.

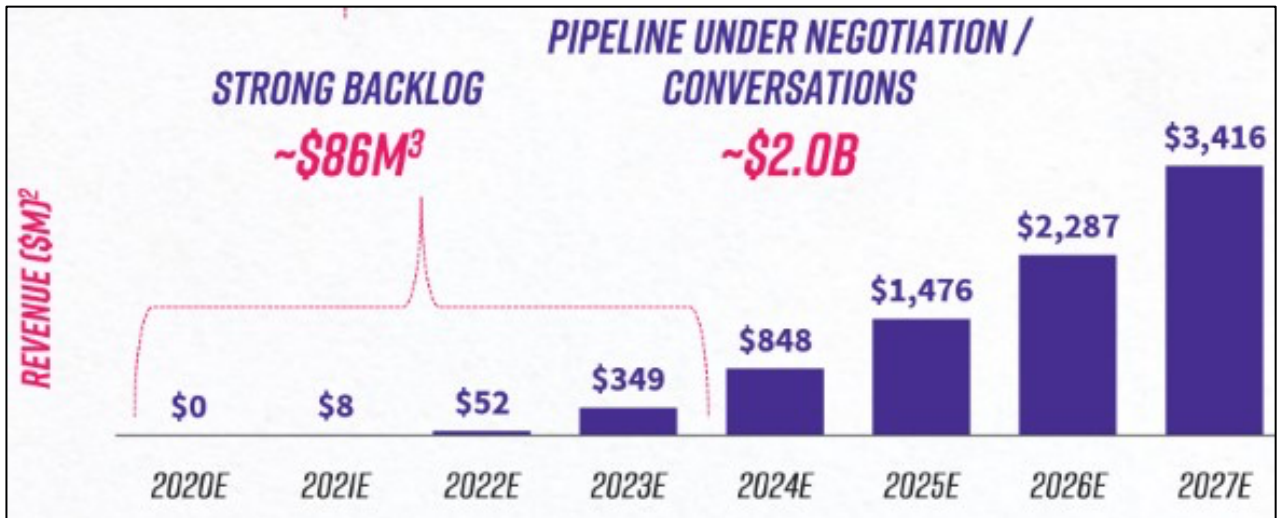
17 292. The statements in ¶¶289-91 were materially false and/or misleading
18 when made and/or omitted to state material facts necessary to make the statements
19 not misleading, because they failed to disclose, among other things, the adverse
20 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to
21 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
22 federal government would significantly restrict Momentus’s operations so long as
23 Kokorich remained a shareholder, and likewise made it highly unlikely that the
24 federal government would grant Momentus the approvals necessary to achieve its
25 advertised launch schedule.

26 293. In addition, the statements of SRAC and Defendant Kabot in ¶¶289-91
27 were materially false and/or misleading when made and/or omitted to state material
28 facts necessary to make the statements not misleading, because they failed to

1 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
 2 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
 3 SRAC and Defendant Kabot had not performed adequate due diligence on
 4 Kokorich’s national security risks, their statements regarding the effect of his
 5 resignation, Momentus’s planned launch schedule, and Momentus’s regulatory risks
 6 lacked any reasonable basis and so were materially misleading.

7 **2. Financial Projections**

8 294. The investor presentation contained the following revenue projections:



18 295. The investor presentation repeated these revenue projections under the
 19 heading “Clear Path to Profitability and >\$1B in EBITDA.”

20 296. The investor presentation contained a slide titled “Significant Customer
 21 Traction and Expected Demand,” which stated “Current Backlog of Potential
 22 Revenue ~86M.”

23 297. The statements in ¶¶294-96 were materially false and/or misleading
 24 when made and/or omitted to state material facts necessary to make the statements
 25 not misleading, because they failed to disclose, among other things, the adverse
 26 facts detailed in Section V.C, *supra*, regarding financial projections. The
 27 undisclosed adverse facts regarding Kokorich’s national security risks and
 28 Momentus’s failed in space test made the assumptions underlying the financial

1 projections and related metrics unreasonable, and made it highly unlikely that these
2 projections and related metrics would be achieved.

3 298. In addition, the statements of SRAC and Defendant Kabot in ¶¶294-96
4 were materially false and/or misleading when made and/or omitted to state material
5 facts necessary to make the statements not misleading, because they failed to
6 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
7 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
8 SRAC and Defendant Kabot had not performed adequate due diligence on
9 Kokorich’s national security risks or the El Camino Real mission, their statements
10 regarding financial projections and related metrics for Momentus, which depended
11 on key assumptions regarding Momentus’s launch schedule and technology, lacked
12 any reasonable basis and so were materially misleading.

13 **K. May 4-5, 2021 Updated Investor Presentation**

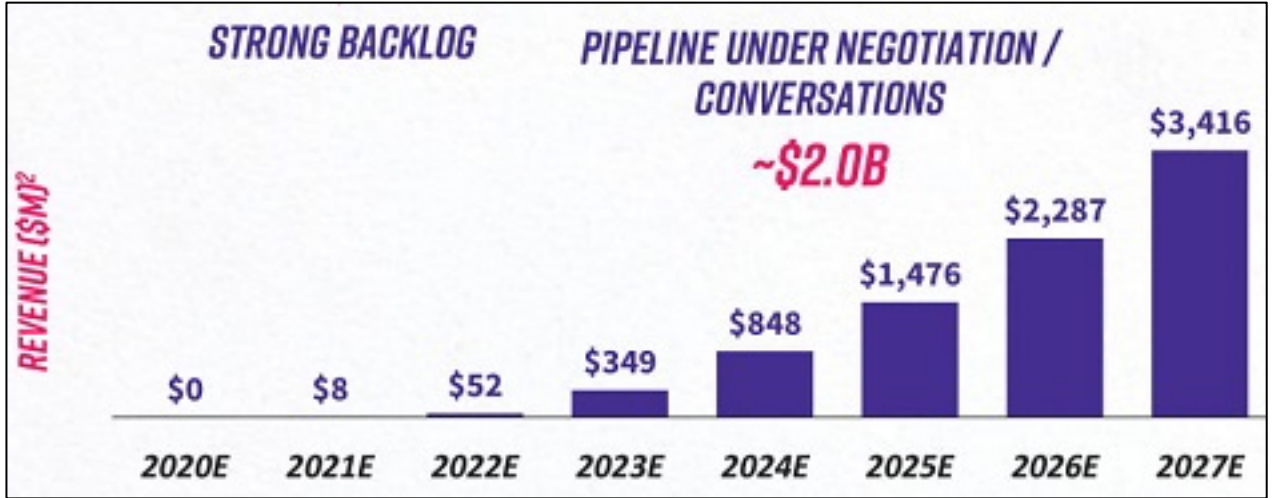
14 299. On May 4, 2021 representatives of SRAC and Momentus (including
15 Defendants Kabot and Harms, in addition to Momentus’s Chief Technology Officer
16 Rob Schwarz) participated in a live broadcast interview with IPO Edge. The
17 interview was accompanied by a modified version of Momentus’s investor
18 presentation. On May 5, 2021 SRAC publicly filed a transcript of this interview
19 with the SEC on Form 425, along with a copy of the accompanying investor
20 presentation.

21 300. The false and misleading statements and omissions relating to
22 Momentus’s technology that were contained in the investor presentation were
23 identical or substantially similar to the false and misleading statements and
24 omissions on that subject contained in previously published investor presentations,
25 as detailed in Section VIII.B, *supra*, and were false and misleading for the same
26 reasons detailed Sections VIII.B and V.

27 //

28 //

1 301. The investor presentation contained the following revenue projections:



10 302. The statements in ¶301 were materially false and/or misleading when
 11 made and/or omitted to state material facts necessary to make the statements not
 12 misleading, because they failed to disclose, among other things, the adverse facts
 13 detailed in Section V.C, *supra*, regarding financial projections. The undisclosed
 14 adverse facts regarding Kokorich’s national security risks and Momentus’s failed in
 15 space test made the assumptions underlying the financial projections and related
 16 metrics unreasonable, and made it highly unlikely that these projections and related
 17 metrics would be achieved.

18 303. In addition, the statements of SRAC in ¶301 were materially false
 19 and/or misleading when made and/or omitted to state material facts necessary to
 20 make the statements not misleading, because they failed to disclose, among other
 21 things, the adverse facts detailed in Section V.D, *supra*, regarding SRAC’s failure to
 22 perform adequate due diligence on Momentus. Because SRAC had not performed
 23 adequate due diligence on Kokorich’s national security risks or the El Camino Real
 24 mission, its statements regarding financial projections and related metrics for
 25 Momentus, which depended on key assumptions regarding Momentus’s launch
 26 schedule and technology, lacked any reasonable basis and so were materially
 27 misleading.

1 **L. June 29, 2021 Amended Registration Statement**

2 304. On June 29, 2021, SRAC filed an amended registration statement on
3 Form S-4/A with the SEC seeking shareholder approval of the merger. The amended
4 registration statement was signed by Defendant Kabot and Defendant Norris, and by
5 Defendant Kabot as attorney-in-fact for each member of SRAC’s board of directors
6 including Defendant Hofmockel. The amended registration statement incorporated
7 information about Momentus that was supplied to SRAC by Momentus and the
8 Momentus Individual Defendants.

9 305. The false and misleading statements and omissions contained in this
10 amended registration statement regarding SRAC’s due diligence were identical or
11 substantially similar to the false and misleading statements and omissions regarding
12 these subjects as contained in the previously published versions of the registration
13 statement as detailed in Section VIII.D, *supra*, and were false and misleading for the
14 same reasons detailed Sections VIII.D and V.

15 **IX. ADDITIONAL SCIENTER ALLEGATIONS**

16 306. As alleged herein, Defendants acted with scienter since Defendants
17 knew that the public documents and statements issued or disseminated in the names
18 of SRAC and Momentus were materially false and/or misleading; knew that such
19 statements or documents would be issued or disseminated to the investing public;
20 and knowingly and substantially participated or acquiesced in the issuance or
21 dissemination of such statements or documents as primary violations of the federal
22 securities laws.

23 307. As alleged herein, the Individual Defendants, by virtue of their receipt
24 of information reflecting the true facts regarding SRAC and Momentus, their control
25 over, and/or receipt and/or modification of SRAC’s and Momentus’s allegedly
26 materially misleading misstatements and/or their associations with SRAC and
27 Momentus which made them privy to confidential proprietary information
28

1 concerning SRAC and Momentus, participated in the fraudulent scheme alleged
2 herein.

3 **A. SRAC And The SRAC Individual Defendants Knew Or Recklessly**
4 **Disregarded The Falsity Of Their Statements**

5 308. The positions of the SRAC Individual Defendants give rise to a strong
6 inference of their scienter with respect to issues relating to the proposed merger and
7 SRAC's due diligence. Defendant Kabot was SRAC's CEO. Defendant Norris was
8 SRAC's CFO. Defendant Quiroga was SRAC's Chief Investment Officer.
9 Defendant Hofmockel was a director of SRAC.

10 309. The SRAC Individual Defendants repeatedly held themselves out as
11 knowledgeable regarding the operational details of SRAC and Momentus and the
12 subject matter of the various misrepresentations and omissions alleged herein, which
13 gives rise to a strong inference of their scienter.

14 310. Defendants Kabot, Quiroga, and Hofmockel repeatedly and directly
15 participated in SRAC's due diligence of Momentus, and so knew first-hand the
16 limitations of SRAC's due diligence, and the falsity of Defendants' related
17 statements to investors. For example, among the many instances of their
18 involvement in the due diligence process, as admitted in SRAC's SEC filings:

19 (a) "On August 13, 2020, Mr. Kabot and Mr. Quiroga visited
20 Momentus' headquarters for an in-person management presentation and facility
21 tour. During the day, they met with key members of management, discussed their
22 backgrounds and roles at the company, performed additional due diligence and
23 toured the facility."

24 (b) "On August 14, 2020, Mr. Kabot, Mr. Quiroga, representatives
25 of Evercore and members of the Momentus management, including Rob Schwarz
26 (Chief Technology Officer), Mr. Mitchell and Alexander Fishkin (Chief Business
27 Affairs and Legal Officer), had a due diligence teleconference to discuss Momentus'
28 intellectual property and other related topics. Also on August 14, 2020, Mr. Kabot,

1 Mr. Quiroga, representatives of Evercore and members of Momentus management,
2 including Philip Hoover-Smoot (Associate General Counsel and Chief Ethics &
3 Compliance Officer), had another due diligence teleconference to discuss
4 Momentus' commercial contracts and related topics. On August 26, 2020, Mr.
5 Kabot, Mr. Quiroga and representatives of Evercore had a teleconference to discuss
6 the due diligence calls SRAC had with Momentus.”

7 (c) “On August 26, 2020, Mr. Kabot, Mr. Quiroga and Mr. Kokorich
8 had a meeting to discuss certain details of the proposed business combination,
9 including hiring Jikun Kim as the chief financial officer of Momentus, the process
10 for drafting and negotiating definitive documentation, the PIPE Investment, the
11 management equity incentive plan for the Combined Company including the
12 proposed CEO Option Grant, diligence and the composition of the board of directors
13 following the closing.”

14 (d) “On September 2, 2020, the SRAC board of directors had a call
15 to discuss the potential business combination. During this call, Mr. Kabot and Mr.
16 Quiroga provided the other directors an update on progress with respect to diligence,
17 definitive documentation and the potential PIPE investment.”

18 (e) “On September 10, 2020, Mr. Quiroga and representatives of
19 Evercore had a teleconference with representatives of Stellar Solutions to discuss
20 SRAC's engagement of Stellar Solutions to assist in technical diligence of
21 Momentus.”

22 (f) “On September 18, 2020, Messrs. Quiroga, Hofmockel and
23 representatives of K&E, RSM US LLP ('RSM') and Stellar Solutions had a
24 teleconference to provide updates on the due diligence process and their diligence
25 findings to date.”

26 (g) “On September 21, 2020, the SRAC board of directors had a call
27 to discuss progress in the initial business combination. Mr. Kabot and Mr. Quiroga
28 provided a detailed update to the board regarding progress on the PIPE investment,

1 the negotiation of the merger agreement and other transaction documents and
2 SRAC’s due diligence findings to date.”

3 (h) “On September 25, 2020, Messrs. Kabot, Quiroga, Hofmockel
4 and Ms. Harms had a call to discuss certain areas of business due diligence,
5 including customer contracts, backlog and deal pipeline.”

6 311. During and leading up to the Class Period SRAC was an extremely
7 small organization. SRAC had three officers (Defendants Kabot, Norris and
8 Quiroga) and no full-time employees. This allowed the SRAC Individual
9 Defendants to have in-depth knowledge of all aspects of SRAC’s operations.

10 312. Prior to the Business Combination, SRAC had no business operations
11 of its own, and its sole purpose was to enter into a merger. Therefore, the business
12 combination with Momentus was SRAC’s core, and indeed only, operation, which
13 gives rise to a strong inference of the SRAC Individual Defendants’ scienter with
14 respect to issues relating to Momentus.

15 313. The SRAC Individual Defendants possessed strong personal financial
16 motives to complete the merger between SRAC and Momentus, and therefore to
17 cover up problems with SRAC’s due diligence and problems at Momentus, and to
18 misleadingly tout the merger and inflate Momentus’s apparent future prospects. For
19 example, as of December 11, 2020, the Sponsor and its affiliate owned SRAC stock
20 and warrants with an aggregate market value of approximately \$80.9 million, which
21 would be rendered worthless if the merger was not approved. These securities were
22 reported as beneficially owned by Defendants Quiroga and Kabot, and each of the
23 SRAC Individual Defendants were directly or indirectly a member of the Sponsor.
24 As the directors and/or officers of SRAC the SRAC Individual Defendants had
25 ample opportunity to control SRAC’s public statements regarding the proposed
26 merger.

27 314. That the SRAC Individual Defendants do not appear to have sold
28 SRAC securities during the Class Period does not negate a strong inference of their

1 scienter. It is a customary condition of SPAC mergers, necessary to market the
2 SPAC to prospective investors, that the SPAC's directors, officers, and substantial
3 shareholders must enter into lock-up agreements whereby they agree not to sell
4 SPAC securities until a given amount of time has passed from the completion of a
5 merger with a target company. SRAC's Sponsor and SRAC's executive officers and
6 directors, including the SRAC Individual Defendants, entered into such a lock-up
7 agreement with SRAC in which they agreed not to sell SRAC securities until six
8 months after the closing of SRAC's merger with a target company. SRAC's merger
9 with Momentus was not completed until on or about August 12, 2021, well after the
10 truth had been revealed about SRAC and Momentus and the artificial inflation had
11 been removed from SRAC's security prices. Therefore, due to the federal
12 government's intervention to reveal the truth to investors and due to the SRAC
13 Individual Defendants' lock-up agreement, the SRAC Individual Defendants did not
14 have the opportunity to sell SRAC securities at an artificial profit. That the federal
15 government intervened to foil the SRAC Individual Defendants' fraudulent scheme
16 before it came to fruition does not negate a strong inference of their scienter.

17 315. The scienter of the SRAC Individual Defendants is imputable to SRAC
18 because they were directors and/or officers of SRAC acting within the scope of their
19 authority.

20 316. The misrepresentations and omissions of SRAC as alleged herein are of
21 such a nature that they would have been approved by corporate officials sufficiently
22 knowledgeable about SRAC to know that those statements and omissions were
23 misleading.

24 **B. Momentus And The Momentus Individual Defendants Knew Or**
25 **Recklessly Disregarded The Falsity Of Their Statements**

26 317. The positions of the Momentus Individual Defendants give rise to a
27 strong inference of their scienter with respect to issues relating to the proposed
28 merger, Momentus's technology, Momentus's national security risks, and

1 Momentus’s financial projections. Defendant Kokorich was Momentus’s CEO.
2 Defendant Harms was Momentus’s Chief Revenue Officer, and later interim CEO.
3 Defendant Kennedy was Momentus’s President.

4 318. The Momentus Individual Defendants repeatedly held themselves out
5 as knowledgeable regarding the operational details of Momentus and the subject
6 matter of the various misrepresentations and omissions alleged herein, which gives
7 rise to a strong inference of their scienter.

8 319. As alleged herein, some or all of the Momentus Individual Defendants
9 were directly involved in issues relating to Momentus’s 2019 in space test, national
10 security risks, and financial projections, and so knew first-hand the falsity of
11 Defendants’ related statements to investors.

12 320. Defendant Kokorich was directly and substantially involved in
13 preparing and disseminating to investors false information about Momentus as
14 alleged herein. Defendant Kokorich knew that information he provided to SRAC
15 and its representatives would be repeated to investors in connection with the
16 proposed merger. As revealed by the SEC Order and the SEC Complaint:

17 (a) Prior to the execution of the merger agreement, Momentus and
18 Defendant Kokorich told SRAC and Defendant Kabot that the El Camino Real
19 mission was a success, but did not inform them of any internal concerns or
20 shortcomings with the in-space test. Defendant Kokorich and Momentus never
21 shared with SRAC and Defendant Kabot material internal analyses about the El
22 Camino Real mission’s failure.

23 (b) Defendant Kokorich told Defendant Kabot prior to signing the
24 merger agreement that he had a strong case for political asylum, and that he also had
25 a second path to U.S. citizenship if for any reason the asylum application was not
26 granted. Defendant Kokorich did not tell Defendant Kabot that the USCIS had
27 previously issued a referral notice saying that it had not granted his asylum
28

1 application, and that it had referred his case to an immigration judge for adjudication
2 in removal proceedings.

3 (c) Defendant Kokorich assured Defendant Kabot that the CFIUS
4 divestiture order regarding his other space technology company was closed, and that
5 it was a different situation from his Momentus ownership. Defendant Kokorich
6 asserted that the issues CFIUS raised in the prior matter had to do with other
7 investors, not specifically him.

8 (d) Defendant Kokorich participated in the preparation of the
9 November and December 2020 S-4 registration statements, and specifically the
10 subsections of the S-4 statements that described or contained information about
11 Momentus. In his role as CEO, Defendant Kokorich generally reviewed and
12 approved Momentus's portion of the registration statements. Defendant Kokorich
13 also helped to draft what he described as the technology and business or market
14 strategy sections of the S-4 statements. Each registration statement contained a
15 subsection titled, "Information about Momentus," that Momentus drafted.
16 Defendant Kokorich reviewed and approved these subsections before they were
17 provided to SRAC for inclusion in the registration statement. Momentus also drafted
18 the "Risk Factors" subsection and provided it to Stable Road for inclusion in the
19 registration statement. Defendant Kokorich reviewed and did not correct the "Risk
20 Factors" subsection.

21 321. During and leading up to the Class Period Momentus was a small
22 organization. As of November 2, 2020 Momentus had only 82 employees, which
23 allowed the Momentus Individual Defendants to have in-depth knowledge of all
24 aspects of Momentus's operations.

25 322. At all relevant times the business of Momentus has centered on its
26 water plasma propulsion technology. Therefore, matters relating to Momentus's
27 water plasma technology such as whether it had been successfully tested in space,
28

1 were core operations for Momentus, and give rise to a strong inference of the
2 scienter of the Momentus Individual Defendants with respect to these issues.

3 323. At all relevant times, Momentus required regulatory approvals to
4 conduct its planned operations, and operated exclusively in the heavily regulated
5 space industry, which industry is highly sensitive with respect to national security.
6 At all relevant times up until his abrupt resignation in January 2021, Defendant
7 Kokorich was the key person behind Momentus, as its co-founder, CEO and leader.
8 Therefore, matters relating to Defendant Kokorich's national security issues and
9 Momentus's regulatory approvals were core operations for Momentus, and give rise
10 to a strong inference of the scienter of the Momentus Individual Defendants with
11 respect to these issues.

12 324. The Momentus Individual Defendants possessed strong personal
13 financial motives to complete the merger between SRAC and Momentus, and
14 therefore to cover up problems with SRAC's due diligence and problems at
15 Momentus, and misleadingly tout the merger and inflate Momentus's apparent
16 future prospects. For example, leading up to the proposed merger Momentus had no
17 revenue, was losing money at a rapid rate, and needed substantial investment capital
18 to survive and continue to pay compensation to the Momentus Individual
19 Defendants. In addition, Defendant Kokorich and Defendant Harms had substantial
20 ownership interests in Momentus that would become much more valuable and liquid
21 upon completion of a merger with SRAC. As of November 2, 2020 SRAC disclosed
22 that, as a result of their ownership of Momentus securities, Defendant Kokorich was
23 expected to beneficially own 19.3 million shares (approximately 14% of the total
24 outstanding) and Defendant Harms was expected to beneficially own over 100,000
25 shares of the combined company after the closing of the merger. As the directors
26 and/or officers of Momentus the Momentus Individual Defendants had ample
27 opportunity to control Momentus's public statements regarding the proposed
28 merger.

1 325. That the Momentum Individual Defendants do not appear to have sold
2 SRAC securities during the Class Period does not negate a strong inference of their
3 scienter, because the Momentum Individual Defendants did not own SRAC securities
4 during the Class Period. Rather, the Momentum Individual Defendants' motives as
5 alleged herein pertained to inducing SRAC and its investors to complete a merger
6 with Momentum. SRAC's merger with Momentum was not completed until on or
7 about August 12, 2021, well after the truth had been revealed about SRAC and
8 Momentum and the artificial inflation had been removed from SRAC's security
9 prices. Therefore, due to the federal government's intervention to reveal the truth to
10 investors and due to the Momentum Individual Defendants' lack of prior ownership
11 of SRAC securities, the Momentum Individual Defendants did not have the
12 opportunity to sell SRAC securities at an artificial profit. That the federal
13 government intervened to foil the Momentum Individual Defendants' fraudulent
14 scheme before it came to fruition does not negate a strong inference of their scienter.

15 326. As alleged above, Defendant Kokorich was personally involved in the
16 fraud alleged herein. Kokorich co-founded Momentum in 2017 and served as its
17 CEO and director. Kokorich abruptly resigned from Momentum and fled to
18 Switzerland in January 2021 amid increasing governmental scrutiny of national
19 security concerns relating to him, and amid the resulting delays in Momentum's
20 heavily touted launch schedule, which scrutiny and delays represented the
21 materialization of risks that Defendants had concealed from investors. As such,
22 Kokorich's departure closely following the materialization of these risks is strongly
23 indicative of his and Momentum's scienter.

24 327. The scienter of the Momentum Individual Defendants is imputable to
25 Momentum because they were directors and/or officers of Momentum acting within
26 the scope of their authority.

27 328. The misrepresentations and omissions of Momentum as alleged herein
28 are of such a nature that they would have been approved by corporate officials

1 sufficiently knowledgeable about Momentus to know that those statements and
2 omissions were misleading.

3 **X. LOSS CAUSATION**

4 329. Defendants' wrongful conduct, as alleged herein, directly and
5 proximately caused the economic loss suffered by Plaintiff and the Class.

6 330. Throughout the Class Period, as detailed herein, Defendants made
7 materially false and/or misleading statements and/or omissions. This course of
8 wrongful conduct caused the price of SRAC securities to be artificially inflated. But
9 for Defendants' misrepresentations and/or omissions, Plaintiff and the other
10 members of the Class would not have purchased SRAC securities or would not have
11 purchased such securities at artificially inflated prices. Later, when Defendants'
12 prior misrepresentations and/or omissions were disclosed to the market, the price of
13 SRAC securities fell significantly as the prior artificial price inflation was
14 dissipated. As a result of their purchases and/or acquisition of SRAC securities
15 during the Class Period, Plaintiff and other members of the Class suffered economic
16 loss, *i.e.* damages, under the Exchange Act. The timing and magnitude of the
17 decline in the prices of SRAC's securities negates any inference that the economic
18 losses and damages suffered by Plaintiff and other members of the Class were
19 caused by changed market conditions, macroeconomic factors, or company-specific
20 facts unrelated to Defendants' wrongful conduct.

21 331. As detailed in Section VII, *supra*, the truth regarding SRAC and
22 Momentus was revealed to the market and/or the previously concealed risks
23 materialized through a series of partial disclosures, which removed the artificial
24 inflation in SRAC securities prices and caused economic loss to Plaintiff and the
25 Class.

26 **XI. CLASS ACTION ALLEGATIONS**

27 332. Plaintiff brings this action as a class action pursuant to Federal Rule of
28 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and

1 entities that purchased or otherwise acquired SRAC securities between October 7,
2 2020 and July 13, 2021, inclusive, and who were damaged thereby (the “Class”),
3 seeking to recover compensable damages caused by Defendants’ violations of the
4 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the
5 Exchange Act and Rule 10b-5 promulgated thereunder. Excluded from the Class
6 are Defendants, the officers and directors of SRAC and Momentus, at all relevant
7 times, members of their immediate families and their legal representatives, heirs,
8 successors, or assigns, and any entity in which Defendants have or had a controlling
9 interest.

10 333. The members of the Class are so numerous that joinder of all members
11 is impracticable. Throughout the Class Period, SRAC’s shares actively traded on
12 the Nasdaq Capital Market. While the exact number of Class members is unknown
13 to Plaintiff at this time and can only be ascertained through appropriate discovery,
14 Plaintiff believes that there are at least hundreds or thousands of members in the
15 proposed Class. Millions of SRAC shares were traded publicly during the Class
16 Period. Record owners and other members of the Class may be identified from
17 records maintained by SRAC or its transfer agent and may be notified of the
18 pendency of this action by mail, using the form of notice similar to that customarily
19 used in securities class actions.

20 334. Plaintiff’s claims are typical of the claims of the members of the Class
21 as all members of the Class are similarly affected by Defendants’ wrongful conduct
22 in violation of federal law that is complained of herein.

23 335. Plaintiff will fairly and adequately protect the interests of the members
24 of the Class and has retained counsel competent and experienced in class and
25 securities litigation.

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

1 (a) whether the federal securities laws were violated by Defendants’
2 acts as alleged herein;

3 (b) whether statements made by Defendants to the investing public
4 during the Class Period omitted and/or misrepresented material facts about the
5 business, operations, and prospects of SRAC and Momentum;

6 (c) whether Defendants acted knowingly or recklessly in issuing
7 false and misleading SEC filings and public statements during the Class Period;

8 (d) whether the prices of SRAC’s securities during the Class Period
9 were artificially inflated because of the Defendants’ conduct complained of herein;
10 and

11 (e) whether the members of the Class have sustained damages and,
12 if so, what is the proper measure of damages.

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

19 **XII. APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-
20 THE-MARKET DOCTRINE)**

21 338. The market for SRAC’s securities was open, well-developed and
22 efficient at all relevant times. As a result of the materially false and/or misleading
23 statements and/or failures to disclose, SRAC’s securities traded at artificially
24 inflated prices during the Class Period. Plaintiff and other members of the Class
25 purchased or otherwise acquired SRAC’s securities relying upon the integrity of the
26 market price of SRAC’s securities and market information relating to SRAC, and
27 have been damaged thereby.
28

1 339. At all relevant times, the market for SRAC’s securities was an efficient
2 market for the following reasons, among others:

3 (a) SRAC shares met the requirements for listing, and were listed
4 and actively traded on the Nasdaq Capital Market, a highly efficient and automated
5 market;

6 (b) As a regulated issuer, SRAC filed periodic public reports with
7 the SEC and/or the Nasdaq Capital Market;

8 (c) SRAC’s securities were liquid and traded with substantial
9 volume during the Class Period; and

10 (d) SRAC regularly communicated with public investors via
11 established market communication mechanisms, including through regular
12 dissemination of press releases on the national circuits of major newswire services
13 and through other wide-ranging public disclosures, such as communications with the
14 financial press and other similar reporting services.

15 340. As a result of the foregoing, the market for SRAC’s securities promptly
16 digested current information regarding SRAC from all publicly available sources
17 and reflected such information in SRAC’s share price. Unexpected material news
18 about SRAC was rapidly reflected in and incorporated into SRAC’s stock price
19 during the Class Period.

20 341. Plaintiff and members of the Class purchased and/or sold SRAC’s
21 securities between the time the Defendants failed to disclose or misrepresented
22 material facts and the time the true facts were disclosed, without knowledge of the
23 omitted or misrepresented facts. The misrepresentations and omissions alleged
24 would tend to induce a reasonable investor to misjudge the value of SRAC’s
25 securities

26 342. Under these circumstances, all purchasers of SRAC’s securities during
27 the Class Period suffered similar injury through their purchase of SRAC’s securities
28

1 at artificially inflated prices, and Plaintiff and the members of the Class are entitled
2 to a presumption of reliance upon the integrity of the market.

3 343. Alternatively, Plaintiff and the members of the Class are entitled to the
4 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*
5 *of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted
6 material information in their Class Period statements in violation of a duty to
7 disclose such information, as detailed above. The Class’s claims are, in large part,
8 grounded on Defendants’ material omissions. Because this action involves
9 Defendants’ failure to disclose material adverse information regarding SRAC’s and
10 Momentus’s business operations and financial prospects—information that
11 Defendants were obligated to disclose—positive proof of reliance is not a
12 prerequisite to recovery. All that is necessary is that the facts withheld be material
13 in the sense that a reasonable investor might have considered them important in
14 making investment decisions. Given the importance of the Class Period material
15 misstatements and omissions set forth above, that requirement is satisfied here

16 **XIII. NO SAFE HARBOR**

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

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

4 **XIV. CAUSES OF ACTION**

5 **COUNT I**

6 **Violation Of Section 10(b) Of The Exchange Act And**
7 **Rule 10b-5 Promulgated Thereunder**
8 **Against Defendants Momentus, SRAC, Kokorich,**
9 **Kennedy, Kabot, Norris, And Hofmockel**

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

12 346. During the Class Period Defendants Momentus, SRAC, Kokorich,
13 Kennedy, Kabot, Norris, and Hofmockel (the “Count I Defendants”) made untrue
14 statements of material fact and/or omitted to state material facts necessary to make
15 the statements not misleading.

16 347. During the Class Period, the Count I Defendants carried out a plan,
17 scheme and course of conduct which was intended to and, throughout the Class
18 Period, did: (i) deceive the investing public, including Plaintiff and other Class
19 members, as alleged herein; and (ii) cause Plaintiff and other members of the Class
20 to purchase SRAC’s securities at artificially inflated prices. In furtherance of this
21 unlawful scheme, plan and course of conduct, the Count I Defendants, and each the
22 Count I Defendant, took the actions set forth herein.

23 348. The Count I Defendants (i) employed devices, schemes, and artifices to
24 defraud; (ii) made untrue statements of material fact and/or omitted to state material
25 facts necessary to make the statements not misleading; and (iii) engaged in acts,
26 practices, and a course of business which operated as a fraud and deceit upon the
27 purchasers of SRAC’s securities in an effort to maintain artificially high market
28 prices for SRAC’s securities in violation of Section 10(b) of the Exchange Act and

1 Rule 10b-5. All the Count I Defendants are sued either as primary participants in
2 the wrongful and illegal conduct charged herein or as controlling persons as alleged
3 below.

4 349. The Count I Defendants, individually and in concert, directly and
5 indirectly, by the use, means or instrumentalities of interstate commerce and/or of
6 the mails, engaged and participated in a continuous course of conduct to conceal
7 adverse material information about SRAC's and Momentus's financial well-being
8 and prospects, as specified herein.

9 350. The Count I Defendants employed devices, schemes and artifices to
10 defraud, while in possession of material adverse non-public information and
11 engaged in acts, practices, and a course of conduct as alleged herein in an effort to
12 assure investors of SRAC's and Momentus's value and performance, which
13 included the making of, or the participation in the making of, untrue statements of
14 material facts and/or omitting to state material facts necessary in order to make the
15 statements made about SRAC, Momentus, and their business operations and future
16 prospects in light of the circumstances under which they were made, not misleading,
17 as set forth more particularly herein, and engaged in transactions, practices and a
18 course of business which operated as a fraud and deceit upon the purchasers of
19 SRAC's securities during the Class Period.

20 351. For each of Defendants Kokorich, Kennedy, Kabot, Norris, and
21 Hofmockel, primary liability and controlling person liability arise from the
22 following facts: (i) these Defendants were high-level executives and/or directors at
23 SRAC or Momentus during the Class Period and members of SRAC's or
24 Momentus's management team or had control thereof; (ii) each of these Defendants,
25 by virtue of their responsibilities and activities as a senior officer and/or director of
26 SRAC or Momentus, was privy to and participated in the creation, development and
27 reporting of SRAC's and/or Momentus's internal budgets, plans, projections and/or
28 reports; (iii) each of these Defendants enjoyed significant personal contact and

1 familiarity with the other Defendants and was advised of, and had access to, other
2 members of SRAC's and/or Momentus's management team, internal reports and
3 other data and information about SRAC's and/or Momentus's finances, operations,
4 and sales at all relevant times; and (iv) each of these Defendants was aware of
5 SRAC's and/or Momentus's dissemination of information to the investing public
6 which they knew and/or recklessly disregarded was materially false and misleading.

7 352. The Count I Defendants had actual knowledge of the
8 misrepresentations and/or omissions of material facts set forth herein, or acted with
9 reckless disregard for the truth in that they failed to ascertain and to disclose such
10 facts, even though such facts were available to them. Such Defendants' material
11 misrepresentations and/or omissions were done knowingly or recklessly and for the
12 purpose and effect of concealing SRAC's and Momentus's financial well-being and
13 prospects from the investing public and supporting the artificially inflated price of
14 SRAC's securities. As demonstrated by the Count I Defendants' overstatements
15 and/or misstatements of the SRAC's and Momentus's business, operations, financial
16 well-being, and prospects throughout the Class Period, these Defendants, if they did
17 not have actual knowledge of the misrepresentations and/or omissions alleged, were
18 reckless in failing to obtain such knowledge by deliberately refraining from taking
19 those steps necessary to discover whether those statements were false or misleading.

20 353. As a result of the dissemination of the materially false and/or
21 misleading information and/or failure to disclose material facts, as set forth above,
22 the market price of SRAC's securities was artificially inflated during the Class
23 Period. In ignorance of the fact that market prices of SRAC's securities were
24 artificially inflated, and relying directly or indirectly on the false and misleading
25 statements made by the Count I Defendants, or upon the integrity of the market in
26 which the securities trade, and/or in the absence of material adverse information that
27 was known to or recklessly disregarded by the Count I Defendants, but not disclosed
28 in public statements by Defendants during the Class Period, Plaintiff and the other

1 members of the Class acquired SRAC's securities during the Class Period at
2 artificially high prices and were damaged thereby.

3 354. At the time of said misrepresentations and/or omissions, Plaintiff and
4 other members of the Class were ignorant of their falsity, and believed them to be
5 true. Had Plaintiff and the other members of the Class and the marketplace known
6 the truth regarding the problems that SRAC and Momentum were experiencing,
7 which were not disclosed by Defendants, Plaintiff and other members of the Class
8 would not have purchased or otherwise acquired their SRAC securities, or, if they
9 had acquired such securities during the Class Period, they would not have done so at
10 the artificially inflated prices which they paid.

11 355. By virtue of the foregoing, the Count I Defendants violated Section
12 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

13 356. As a direct and proximate result of the Count I Defendants' wrongful
14 conduct, Plaintiff and the other members of the Class suffered damages in
15 connection with their respective purchases and sales of SRAC's securities during the
16 Class Period.

17 **COUNT II**

18 **Violation Of Section 10(b) Of The Exchange Act**
19 **And Rule 10b-5(a) And (c) Promulgated Thereunder**
20 **Against Defendants Momentum, Kokorich, Harms, And Kennedy**

21 357. Plaintiff repeats and realleges each and every allegation contained
22 above as if fully set forth herein.

23 358. This Count is asserted against Defendants Momentum, Kokorich,
24 Harms, and Kennedy (the "Count II Defendants"), and is based upon Section 10(b)
25 of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a) and (c) promulgated
26 thereunder by the SEC.

27 359. The Count II Defendants violated Section 10(b) of the Exchange Act
28 and Rule 10b-5(a) and (c) in that they:

- 1 (a) employed devices, schemes and artifices to defraud; and/or
- 2 (b) engaged in acts, practices and a course of business that operated
- 3 as a fraud or deceit upon Plaintiff and others similarly situated in connection with
- 4 their purchases of SRAC securities during the Class Period.

5 360. The Count II Defendants' wrongdoing under this count includes, *inter*
6 *alia*, failing to disclose to SRAC the information outlined in Sections V.A-C, *supra*,
7 regarding national security risks, untested technology, and unsupported financial
8 projections. The failure to disclose this information constituted a deceptive act
9 independent of the dissemination of the false statements to the public, but without
10 which the scheme to defraud could not have been effectuated. Without the Count II
11 Defendants' failure to disclose this information the false representations would
12 never have been made public.

13 361. The Count II Defendants' wrongdoing also includes the preparation of
14 financial data (including revenue data) and other information to be included in
15 SRAC's offering materials and investor presentations. The Count II Defendants'
16 preparation of these materials also constituted a deceptive act independent of the
17 dissemination of the false statements to the public, but without which the scheme to
18 defraud could not have been effectuated. Without the false and misleading financial
19 data, slides, narrative information and other materials provided by the Count II
20 Defendants to SRAC and the SRAC Individual Defendants, SRAC and the SRAC
21 Individual Defendants would not have been able to deceive SRAC's public
22 investors.

23 362. The Count II Defendants acted with scienter in that they knew (or
24 deliberately disregarded or were deliberately reckless in disregarding) that the public
25 documents and statements issued or disseminated in the name of SRAC, as
26 described above, were materially false and/or misleading; knew (or deliberately
27 disregarded or were deliberately reckless in disregarding) that assumptions that
28 Momentum would not be affected by national security risks, and that its technology

1 would work as planned, were used to formulate Momentus's financial projections;
2 knew (or deliberately disregarded or were deliberately reckless in disregarding) that
3 such financial projections were key to Momentus's pursuit of financing via the
4 proposed merger, knowing that SRAC would issue public statements or documents
5 incorporating this information and disseminate it to the investing public; and
6 knowingly (or recklessly) and substantially participated, or acquiesced in the
7 issuance or dissemination of such statements or documents as primary violations of
8 the securities laws.

9 363. The Count II Defendants, including Momentus and senior officers
10 and/or directors of Momentus, had actual knowledge of the truth regarding
11 Momentus's prospects for revenue growth, including factors which limited its
12 growth potential including national security risks and untested technology. The
13 Count II Defendants intended to deceive Plaintiff and the other members of the
14 Class, or, in the alternative, acted with reckless disregard for the truth when they
15 employed the devices, schemes and artifices to defraud; and/or engaged in the acts,
16 practices and a course of business described above.

17 364. As a result of the foregoing, the market price of SRAC securities was
18 artificially inflated during the Class Period.

19 365. In ignorance of the falsity of the Count II Defendants' statements, and
20 the schemes, acts and practices described above, Plaintiff and the other members of
21 the Class relied on the statements described above and/or the integrity of the market
22 price of SRAC securities during the Class Period in purchasing SRAC securities at
23 prices that were artificially inflated as a result of the Count II Defendants' schemes,
24 acts, and practices.

25 366. Had Plaintiff and the other members of the Class been aware that the
26 market price of SRAC securities had been artificially and falsely inflated by
27 Defendants, they would not have purchased SRAC's securities at the artificially
28 inflated prices that they did, or at all.

1 371. In particular, the Individual Defendants and the Sponsor had direct
2 and/or supervisory involvement in the day-to-day operations of SRAC and/or
3 Momentus and, therefore, had the power to control or influence the particular
4 transactions giving rise to the securities violations as alleged herein, and exercised
5 the same.

6 372. As set forth above, Defendants Momentus, SRAC, Kokorich, Harms,
7 Kennedy, Kabot, Norris, and Hofmockel each violated Section 10(b) and Rule 10b-5
8 by their acts and omissions as alleged in this Complaint. By virtue of their positions
9 as controlling persons, the Individual Defendants and the Sponsor are liable
10 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
11 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered
12 damages in connection with their purchases of SRAC's securities during the Class
13 Period.

14 **XV. PRAYER FOR RELIEF**

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

16 (a) Determining that this action is a proper class action under Rule
17 23 of the Federal Rules of Civil Procedure;

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

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

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

26 **XVI. JURY TRIAL DEMANDED**

27 Plaintiff hereby demands a trial by jury.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: November 12, 2021

GLANCY PRONGAY & MURRAY LLP

By: s/ Garth A. Spencer

Robert V. Prongay (SBN 270796)

rprongay@glancylaw.com

Casey E. Sadler (SBN 274241)

csadler@glancylaw.com

Charles Linehan (SBN 307439)

clinehan@glancylaw.com

Garth Spencer (SBN 335424)

gspencer@glancylaw.com

GLANCY PRONGAY & MURRAY LLP

1925 Century Park East, Suite 2100

Los Angeles, California 90067

Telephone: (310) 201-9150

Facsimile: (310) 201-9160

Counsel for Lead Plaintiff Hartmut Haenisch

**THE LAW OFFICES OF FRANK R.
CRUZ**

Frank R. Cruz

1999 Avenue of the Stars, Suite 1100

Los Angeles, CA 90067

Telephone: (310) 914-5007

Email: *fcruz@frankcruzlaw.com*

Additional Counsel

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE BY ELECTRONIC POSTING

I, the undersigned say:

I am not a party to the above case and am over eighteen years old. On November 12, 2021, I served true and correct copies of the foregoing document by posting the document electronically to the ECF website of the United States District Court for the Central District of California, for receipt electronically by the parties listed on the Court’s Service List.

I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on November 12, 2021, at Los Angeles, California.

s/ Garth A. Spencer
Garth A. Spencer

Exhibit 1

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10955 / July 13, 2021

SECURITIES EXCHANGE ACT OF 1934
Release No. 92391 / July 13, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20393

In the Matter of

**MOMENTUS, INC., STABLE
ROAD ACQUISITION CORP., SRC-
NI HOLDINGS, LLC, and BRIAN
KABOT,**

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS, PURSUANT
TO SECTION 8A OF THE
SECURITIES ACT OF 1933 AND
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Momentus, Inc. (“Momentus”), Stable Road Acquisition Corp. (“SRAC”), SRC-NI Holdings, LLC (“SRC-NI”), and Brian Kabot (“Kabot”), collectively referred to herein as “Respondents.”

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over Respondents and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. This case concerns materially false statements, omissions, and other deceptive conduct by Momentus, a privately held space company that aspires to provide space infrastructure services, and its former Chief Executive Officer Mikhail Kokorich ("Kokorich"), as it sought to go public through a business combination with Stable Road Acquisition Corp. ("SRAC"), a publicly traded special-purpose acquisition company ("SPAC"). SRAC also engaged in negligent misconduct by repeating and disseminating Momentus's misrepresentations in Commission filings without a reasonable basis in fact. Brian Kabot, SRAC's CEO who signed public filings that included misrepresentations about Momentus's technology and national security risks, caused SRAC's disclosure violations. Kabot is also a managing member of SRAC's sponsor, SRC-NI Holdings, LLC ("SRC-NI"), and his conduct as described herein is attributable to SRC-NI.

2. In the summer and fall of 2020, Momentus and SRAC negotiated a series of transactions that, if approved, would result in Momentus going public through a business combination with SRAC, generating considerable value for Kokorich, Momentus, Kabot, and SRC-NI through the stakes they stood to receive in the newly-formed public company. On October 7, 2020, Momentus and SRAC announced their merger agreement, and on the same day, SRAC entered into subscription agreements with private investment in public equity ("PIPE") investors, pursuant to which the PIPE investors agreed to inject \$175 million of capital into Momentus by purchasing an aggregate of 17,500,000 shares of common stock of the merged company for \$10.00 per share if and after the business combination was approved.

3. Momentus's business plans and multi-billion dollar revenue projections, as provided to PIPE investors and described in SRAC's Form S-4 registration statement/proxy statement filed in connection with the anticipated merger, were premised on Momentus's development of commercially viable technology that it could employ to provide commercial space services to customers in the near-term on U.S.-based launches.

4. Momentus and Kokorich misled SRAC's investors, including the PIPE investors, in two key respects. First, Momentus and SRAC both claimed that in 2019, Momentus had "successfully tested" in space its key technology, a microwave electro-thermal ("MET") water plasma thruster, that Momentus claimed was designed to move a satellite into custom orbit after launch. In fact, that 2019 test failed to meet Momentus's own public and internal pre-launch criteria for success, and was conducted on a prototype that was not designed to generate commercially significant amounts of thrust.

¹ The findings herein are made pursuant to Respondents' Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. Second, Kokorich and Momentus concealed and made false statements about U.S. government concerns with national security and foreign ownership risks posed by Kokorich, including concerns related to his affiliation with Momentus. Based on those concerns, U.S. government agencies had the functional authority to block Momentus's involvement in U.S. based launches, and in January 2021, Kokorich resigned his position as CEO as part of an effort to resolve the ongoing national security concerns. Up to at least that point, Momentus and SRAC had disclosed that Momentus could face CFIUS restrictions in future transactions as a result of Kokorich's status as a "foreign person," but investors lacked material information about the extent to which Kokorich's affiliation with Momentus jeopardized, among other things, the company's launch schedule and the revenue projections that were based in part on assumptions about the timing of its first commercial launch.

6. SRAC's due diligence failures compounded Momentus's and Kokorich's misrepresentations and omissions and resulted in the dissemination of materially false and misleading information to investors. SRAC's due diligence of Momentus was conducted in a compressed timeframe and unreasonably failed both to probe the basis of Momentus's claims that its technology had been "successfully tested" in space and to follow up on red flags concerning national security and foreign ownership risks. As a result, SRAC's public filings, including registration statements signed by Kabot, incorporated Momentus's and Kokorich's false and misleading claims and caused investors to be misled about material aspects of Momentus's business.

Respondents

7. Momentus is a Delaware corporation with its principal place of business in Santa Clara, California. Founded in 2017, Momentus aspires to provide satellite-positioning services with in-space propulsion systems powered by MET water plasma thrusters.

8. SRAC is a Delaware corporation with its principal place of business in Venice, California. As a SPAC, SRAC has no operations of its own and exists for the purpose of merging with a privately held company with the effect of taking that company public. On November 13, 2019, SRAC completed its initial public offering of 17,250,000 units at a price of \$10.00 per unit, generating gross proceeds of \$172.5 million, which are held in trust for the benefit of shareholders until completion of a business combination. Momentus will receive the proceeds of the IPO upon completion of the proposed business combination with SRAC. SRAC's securities are traded on Nasdaq under the ticker symbols "SRAC," "SRACU" and "SRACW." The IPO proceeds will be returned to shareholders if a business combination is not consummated.

9. Brian Kabot, age 43, has been SRAC's CEO and Chairman of its Board of Directors since its founding in 2019.

10. SRC-NI is a Delaware corporation with its principal place of business in Venice, California. SRC-NI initially contributed \$4.625 million in working capital to fund SRAC from its inception through a business combination. SRC-NI received shares in SRAC in exchange for this capital investment. It also contributed an additional \$6.4 million between November 2020 and June 2021 but received no additional shares in SRAC. Kabot is one of SRC-NI's three managing

members and a minority shareholder. Kabot's actions as alleged herein were taken on behalf of and for the benefit of SRC-NI.

Other Relevant Person

11. Mikhail Kokorich, age 45, is a Russian citizen residing in Switzerland. He served as Momentus's CEO from the time he founded the company in 2017 until his resignation on January 25, 2021.

Background

I. Misrepresentations of Material Fact and Misleading Omissions about Momentus's Technology

a. Momentus's Technology Is Currently Unproven

12. Large commercial satellite launch providers offer launch services to satellite owners but leave the "rideshare satellites" in a limited range of orbits. Momentus hopes to address a market need by offering "last mile" satellite placement services for these rideshare satellites, allowing the satellites to be placed in a custom orbit. According to Momentus's plans, Momentus will integrate its customer's payload, *i.e.*, a satellite, into a Momentus vehicle, which will then be loaded onto a larger rocket operated by the commercial launch provider. The rocket will then deposit Momentus's vehicle in orbit, at which point Momentus will move its vehicle and the customer's integrated payload into a custom orbit using its "cornerstone" technology, a propulsion system using MET water plasma thrusters.

13. Momentus's business model is premised in part on the development and testing of its MET water propulsion thruster technology. To achieve commercial viability, Momentus plans to operate its MET water propulsion thruster reliably in space and provide the necessary thrust and length of operation needed to move customer satellites into specified orbits. At present, Momentus does not have the in-space flight experience to demonstrate commercial viability of its thruster technology.

14. The MET water propulsion thruster has never been used commercially in space. Momentus has only tested a version of its MET water propulsion thruster in space once, during a July 2019 mission named "El Camino Real." For this mission, Momentus built and placed its 2019 version of the MET water propulsion thruster on a third-party satellite for the purpose of testing the thruster and performing various maneuvers. Prior to the mission, Momentus internally defined "mission success" as "100 individual burns of 1 minute or more."

15. Momentus also externally defined success to include a demonstration of the thruster's ability to provide commercial launch services. For example, in a January 2019 blog post on its website, Momentus stated that the El Camino Real mission would give investors "absolute confidence" that Momentus's service would be "on time, safe and reliable." Momentus went on to say that it would "be able to run the thruster long enough to fully characterize its performance in space with dozens of stop start cycles and [to] then safely de-orbit the vehicle."

16. Momentus's claim that the El Camino Real mission would demonstrate its ability to provide commercial launch services was false. The 2019 version of the Momentus MET water propulsion thruster was not powerful enough to provide commercial satellite-placement services. Moreover, the thruster tested in the El Camino Real mission did not provide measurable or detectable changes in the satellite's orbital velocity. According to a former Momentus officer, the thruster was too small and inefficient to have commercial potential.

b. The 2019 In-Space Test Failed to Meet the Pre-Launch Success Criteria

17. The El Camino Real mission did not meet any of the public or internal success criteria. After experiencing significant issues with supporting sub-systems and its propulsion system, Momentus achieved only twelve "hot firings" with microwave power turned on out of 23 firings. While a pump issue significantly restricted flow of water into the thruster during nine of the 12 hot firings, preventing plasma-generation, data suggests that only three hot firings produced plasma. However, none of the firings lasted a full minute and none generated measurable thrust. Momentus lost contact with the satellite approximately three months into the planned six-month mission and was never able to attempt the remaining 77 firings it had planned, much less achieve any of the "100 individual burns of 1 minute or more."

18. The El Camino Real satellite is still in space, but it is not functional.

19. The El Camino Real mission did not demonstrate the thruster's ability to provide commercial launch services. The mission yielded no data to suggest that the 2019 version of the thruster would deliver an impulse of any commercial significance, failed to demonstrate the propulsion system's reliability of longevity, and did not characterize the performance of the thrusters.

20. Kokorich was informed of all relevant aspects of the El Camino Real results. In addition, a member of senior management internally acknowledged, in a document on which Kokorich was copied, that Momentus did not obtain "any useful mission results" from the launch. Kokorich was also copied on emails discussing the creation of a "failure review board" to study the El Camino Real mission due to the inability to obtain useful data from the mission because of its failure.

c. Kokorich and Momentus Mischaracterized Results of the In-Space Testing

21. In a September 25, 2019 article in Space News titled, "Momentus reports success in testing water plasma propulsion," Kokorich enthused, after testing had begun on the El Camino Real mission, "Water plasma propulsion is now technologically mature enough to be baselined for operational in-space transportation missions." He also repeated the claim from Momentus's January 2019 blog post that "the purpose of the El Camino Real mission was to flight demonstrate our core propulsion technology so customers, investors and stakeholders can have absolute confidence that Momentus will deliver their payloads to a given orbit."

22. Kokorich's claims in the Space News article were false because the El Camino Real mission was never intended to demonstrate the thruster's commercial viability or to give investors and customers "absolute confidence" that Momentus could maneuver customer payloads to a custom

orbit. Moreover, as Kokorich knew or was reckless in not knowing, the mission failed because the thruster produced a plasma, which is necessary but not sufficient to generate thrust, only 3 times out of 23 attempts, and each plasma formation lasted less than a full minute. In fact, Momentus did not obtain “any useful mission results” and the in-space test of the thruster did not meet any of its success criteria. Even if the mission had accomplished Momentus’s internal criteria—which it did not—it still would not have demonstrated that the thruster was “technologically mature enough to be baselined for operational in-space transportation missions.”

23. Prior to the execution of the merger agreement, Momentus and Kokorich told SRAC and Kabot that the El Camino Real mission was a success but did not inform them of any internal concerns or shortcomings with the in-space test.

d. SRAC Did Not Perform Reasonable Due Diligence on Momentus’s Claims Regarding the El Camino Real Mission

24. SRAC exists for the purpose of merging or otherwise combining with a privately held company in order to take that company public. After its November 2019 initial public offering, SRAC’s charter allowed the company eighteen months, or until May 2021, to find a merger partner, obtain shareholder approval, and complete the business combination. Otherwise, the company would dissolve, the money raised in the IPO would be returned to investors, and SCR-NI’s investment of working capital would be lost.

25. SRAC’s initial efforts to identify a merger candidate focused on the cannabis industry, and dozens of companies in that industry were evaluated, but SRAC ultimately decided not to pursue a target in that industry given changes in the regulatory and business environment. By late June 2020, SRAC was considering other early-stage growth companies, but still had not identified a company for a merger.

26. Kabot met Kokorich on or about June 29, 2020, and merger discussions began in earnest in early July.

27. SRAC engaged several firms to assist with due diligence, including a space technology consulting firm with the expertise to investigate the state of development of Momentus’s technology. However, SRAC did not retain the firm and begin its substantive due diligence on Momentus’s technology until late August or early September 2020, a little more than a month before the merger announcement on October 7.

28. SRAC hired the space technology consulting firm to conduct a rapid technical assessment. The consulting firm initially represented in its proposal that it could perform its work in two weeks, although it eventually took over four weeks. SRAC did not specifically ask the consulting firm to review the El Camino Real mission and, in response to the firm’s questions, Momentus suggested that the early-stage test launch was not relevant to their current work due to their development of the technology in the intervening sixteen months. As a result, the consulting firm did not evaluate the mission’s results or review any related data or other information, and the report it provided to SRAC made no mention of the El Camino Real mission, even though it would have been capable of examining and reporting on that issue.

29. SRAC nonetheless included Momentus’s false claims in its registration statement on Form S-4 filed on November 2, 2020 and as amended on December 14, 2020 and March 8, 2021, stating that Momentus had “successfully tested” its MET technology in space. SRAC also included Momentus’s financial projections, which were based in part on the assumption that Momentus’s thruster was approaching commercial viability and were buttressed by misleading claims about the success of the El Camino Real mission.

e. Repeated Mischaracterizations of the El Camino Real Results

30. Before publicly announcing their merger agreement, Momentus and SRAC made multiple slide presentations to potential PIPE investors. Each of those presentations contained a slide titled, “Momentus at a Glance,” which claimed that Momentus “successfully tested water based propulsion technology on a demo flight launched mid-2019 – is still operational today.”

31. Momentus and SRAC announced their merger on October 7, 2020. That day, SRAC and Momentus made a presentation to institutional investors and analysts using slides virtually identical to the ones shown to PIPE investors. This presentation claimed that Momentus “successfully tested water based propulsion technology on a demo flight launched mid-2019 – is still operational today.” In his comments to the presentation, Kokorich reiterated that Momentus had “successfully tested our groundbreaking thruster in space.” SRAC publicly filed a copy of this slide presentation on both Form 8-K and Form 425, and filed similar presentations containing similar claims about Momentus’s in-space testing on November 17, 2020 and December 14, 2020.

32. On November 2, 2020, SRAC filed its initial registration statement on Form S-4 related to the merger with Momentus and subsequently filed two Form S-4 amendments on December 14, 2020 and March 8, 2021, respectively. Kabot signed each of these registration statements on behalf of SRAC.

33. Each of these three registration statements contained a subsection titled, “Information about Momentus,” in which Momentus falsely claimed that it “successfully tested our water plasma propulsion technology in space,” referring to but not specifically naming the El Camino Real mission.

34. SRAC adopted Momentus’s characterization of the mission, separately representing in a different subsection of each registration statement that in 2019 Momentus “successfully tested” its “cornerstone water plasma propulsion technology in space.” SRAC also stated that it conducted “extensive due diligence” on a number of issues, one of which was Momentus’s “technology solutions.” SRAC also stated that its consultants were asked to and did report on Momentus’s “testing progress.”

35. By characterizing the mission as a “success” without explaining that the mission did not meet any of Momentus’s pre-launch evaluation criteria, Momentus made false statements and omitted facts necessary to make their statements not misleading.

36. SRAC incorporated Momentus’s claims about the mission’s “success” into multiple public filings, including multiple versions of the registration statement, even though its due diligence neglected to evaluate—much less confirm—the factual basis of the claims. For example, SRAC

stated in its November 2020 registration statement on Form S-4 and amendments that its board recommended shareholder approval of the business combination with Momentus based on, among other things, Momentus's "[v]aluable [i]ntellectual [p]roperty," "including its cornerstone water plasma propulsion technology, which it successfully tested in space in 2019."

37. Investors, whether PIPE investors who received the slide presentations or retail investors who reviewed the November 2020 registration statement on Form S-4 and subsequent amendments, had no way of knowing that the mission did not meet any of its pre-launch goals or demonstrate that Momentus's services would be "on time, safe and reliable," as promised in the January 2019 blog post.

38. SRAC's statements in the November 2020 registration statement on Form S-4 and the December 2020 and March 2021 amendments also gave investors the misleading impression that its due diligence extended to and independently verified the claim that Momentus's technology had been "successfully tested" in space. Investors had no way to know that SRAC was merely repeating what it had been told by Kokorich and Momentus, since the "due diligence" concerning Momentus's "technology solutions" and "testing progress" never examined the results of the El Camino Real mission.

39. The misrepresentations and omissions in the November 2020 registration statement on Form S-4 and the December 2020 and March 2021 amendments were material. Because Momentus can only generate revenue in future missions under its current business plan if its thruster can generate commercially significant thrust, reasonable investors would find it important to know whether Momentus had demonstrated in space that its technology had that capability. They would find it important to know whether Momentus had shown that its services would be "on time, safe and reliable" or whether Momentus could "deliver [customer] payloads to a given orbit." They would also find it important to know whether the mission succeeded according to Momentus's pre-launch definition of success. By misleading investors about the results of the in-space test, the registration statement on Form S-4 and other public filings falsely assured investors that Momentus was further on the road to the commercial deployment of its technology than it actually was.

40. Momentus knowingly or recklessly made the misrepresentations and omissions of material fact regarding the El Camino Real mission. Momentus understood that the launch was never designed to test the commercial viability of Momentus's thrusters. It also knew that the launch did not yield "any useful mission results," as one of Momentus's engineers wrote in an internal document shared with Kokorich. In contrast to its public statements, Momentus knew the test was not a success and did not provide "absolute confidence" that Momentus could deliver customer payloads to a given orbit.

41. Although Kokorich and Momentus never shared with SRAC and Kabot material internal analyses about the mission's failure, SRAC nevertheless acted unreasonably in adopting and repeating Momentus's claim that it had successfully tested its technology in space when it had not conducted any specific due diligence to evaluate and verify the accuracy of that material assertion.

f. Statements About the El Camino Real Mission in the Third Amendment to the Registration Statement on Form S-4

42. In its third amendment to the registration statement on Form S-4 filed on June 29, 2021, Momentus and SRAC disclosed that the El Camino Real mission “did not demonstrate the MET’s ability to generate thrust in space, which is crucial to our ability to maneuver objects in space.” The June 2021 registration statement on Form S-4 also states, “Moreover, even if the unit generates thrust, there can be no assurance that it can be operated in a manner that is sufficiently reliable and efficient to permit commercialization of the technology.”

II. Misrepresentations of Material Fact and Misleading Omissions Regarding the U.S. Government’s National Security Concerns

a. U.S. Government Agencies Had National Security Concerns About Kokorich

43. Since 2018, multiple U.S. government agencies have expressed national security concerns about Kokorich, a fact that was well known to both Kokorich and Momentus but never disclosed to investors.

44. The Bureau of Industry and Security (“BIS”), a bureau of the U.S. Department of Commerce, oversees the issuance of export licenses, which authorize the provision of certain technologies to foreign individuals or entities. The stated mission of the BIS is to “advance U.S. national security, foreign policy, and economic objectives.”

45. Because Kokorich is a foreign national, he could not access parts of Momentus’s technology without an export license. In 2017, Momentus (then operating under the name “Space Apprentices Enterprise”) applied for an export license for Kokorich. In March 2018, the BIS denied the application on the ground that Kokorich was not an “acceptable recipient” of U.S. origin-items controlled for national security reasons.”

46. In April 2018, in connection with Kokorich’s investment in a different space technology company, the Committee on Foreign Investment in the United States (“CFIUS”), an intergovernmental agency that includes the U.S. Departments of Commerce, Defense, and State, informed Kokorich that, as with every transaction it reviews, it assesses whether a foreign person has the capability or intention to exploit or cause harm (which CFIUS defines as the “threat”) and whether the nature of the U.S. business creates susceptibility to impairment of U.S. national security (the “vulnerability”). CFIUS further explained that a national security risk is a “function of the interaction between threat and vulnerability.” CFIUS subsequently informed Kokorich, through his counsel, that it had specific concerns about Kokorich himself, meaning that CFIUS considered Kokorich to be a “threat” that caused his affiliation with that other space technology company to be a risk to national security. As there was no acceptable mitigation option, CFIUS ordered Kokorich to divest his interest in the space technology company in June 2018.

47. SRAC disclosed in its November 2020 registration statement on Form S-4 and in subsequent amendments, that in 2018, CFIUS had ordered Kokorich to divest ownership in the other space technology company but did not disclose CFIUS’s express concerns with Kokorich himself.

48. In June 2018, U.S. Customs and Immigration Services (“USCIS”) revoked Kokorich’s work visa and denied his application for permanent resident status. Kokorich then applied for political asylum in September 2018, claiming that he was a prominent critic of the Russian government. A year later, on or about August 28, 2019, USCIS issued a referral notice informing Kokorich that it had not granted his asylum application, and that it had referred his case to an immigration judge for adjudication in removal proceedings. USCIS based its determination on “inconsistencies” in Kokorich’s application and testimony “with regard to [his] political affiliations and activities in Russia.” Kokorich was in the process of adjudicating the removal proceedings before an immigration judge when he left the U.S. in January 2021.

49. Kokorich’s national security issues continued to create problems in the months leading up to the merger announcement. In February 2020, Momentus filed a new application for an export license for Kokorich. In July 2020, Momentus and Kokorich learned that the Defense and State Departments had objected to Kokorich’s application, requiring the application to be elevated to the BIS’s Operating Committee. In October 2020, Momentus learned that the Operating Committee would recommend that BIS deny of the license, and in November 2020, after the filing of the first registration statement for the merger but before the filing of the amendment, Momentus and Kokorich learned that the Commerce Department would outright deny the license for reasons related to national security.

b. Kokorich’s National Security Risks Were Material to Investors

50. Before it is able to launch any vehicle on a U.S. mission, Momentus or its launch partners must obtain licenses from various U.S. government agencies, including the FAA. Those agencies have the authority to deny a license for national security reasons and work in consultation with the Defense Department to determine if the payload of a mission presents a national security risk. If Momentus or its launch partners are unable to obtain the necessary licenses, Momentus cannot participate in launches and thus cannot execute on its business plan. The U.S. government’s national security-related concerns about Kokorich therefore posed a significant threat to Momentus’s ability to participate in launches and generate meaningful revenue.

51. The growing issues that Momentus faced as a result of its affiliation with Kokorich came to a head in December 2020, just two months after the merger announcement. Momentus was scheduled to participate in a third party’s launch in January 2021. That launch represented a key milestone for Momentus because it was supposed to be the company’s first commercial flight. On December 23, 2020, the FAA notified the third party launch provider that it would not approve the launch with Momentus’s payload on board. As a result, the third party launch provider removed Momentus’s payload from its rocket and proceeded with the launch.

52. Shortly afterwards, in January 2021, Momentus and SRAC became aware of correspondence from the Defense Department stating that Momentus posed a risk to national security as a result of its association with Kokorich. To address this issues, Kokorich formally stepped down as CEO of Momentus on January 25, 2021 and on March 31, 2021, placed his shares of Momentus stock in a voting trust.

53. Kokorich's resignation did not immediately solve Momentus's problems. In May 2021, the FAA once again did not approve Momentus's participation in the June 2021 launch of a third-party launch provider. The FAA explicitly based its denial on a finding that the launch of Momentus's payload would jeopardize national security due to Momentus's then current corporate structure, a reference to Kokorich's continued ownership interest in the company. Later in May 2021, the third party launch provider informed Momentus that it would not allow any Momentus payload on any launch through the end of the year while Momentus "works to secure approvals from the U.S. government."

54. On June 8, 2021, Kokorich and Momentus entered into a National Security Agreement with CFIUS, pursuant to which Kokorich agreed to fully divest from the company and Momentus agreed, among other things, to implement increased security measures and appoint a CFIUS-approved director to its board of directors. As recently disclosed by SRAC, the time required to finalize the NSA and resolve issues stemming from Kokorich's involvement with Momentus has resulted in a reforecast of potential launch dates from 2021 to 2022.

c. SRAC Failed to Conduct Reasonable Due Diligence Related to Kokorich's National Security Issues

55. Momentus and Kokorich did not share the extent of Kokorich's national security issues with SRAC and Kabot.

56. SRAC nonetheless conducted inadequate due diligence related to Kokorich's forced divestiture in 2018 from a prior space technology company and his status as a national security risk generally. SRAC and Kabot knew that CFIUS, which exists for the express purpose of assessing national security risks posed by foreign investment in U.S. businesses, had required Kokorich to divest from another space technology company in 2018. During due diligence, SRAC received a copy of CFIUS's final order and repeatedly asked Momentus for correspondence and other documents that would describe the basis of the order. Momentus responded that it did not possess those documents—despite the fact that Kokorich had custody and control over correspondence and documents related to the CFIUS order. SRAC nonetheless executed its merger agreement with Momentus and filed multiple registration statements without obtaining a full and complete understanding of the basis for the CFIUS's order or its impact on Momentus' business.

d. False Statements or Omissions Regarding Kokorich's National Security Issues

57. Both the November 2020 registration statement on Form S-4 and the December 2020 amendment, which was filed after Momentus learned that Kokorich's most recent application for an export license would be denied for national security reasons, contain false statements and misleading omissions regarding the U.S. government's national security concerns about Kokorich. SRAC disclosed the existence of general national security risks in January 2021, at the time of Kokorich's resignation, and disclosed further material details about those concerns and their impact on Momentus and the merger in the March 2021 registration statement on Form S-4 amendment.

58. In a subsection of both the November 2020 registration statement on Form S-4 and the December 2020 amendment titled, "Risk Factors," Momentus stated that it believed Kokorich's

asylum application would be granted, but failed to disclose the fact that Kokorich was considered a national security risk and thus less likely to obtain asylum.

59. Also in the “Risk Factors” subsection, Momentus disclosed that Kokorich had not “yet” obtained an export control license. Momentus did not explain, however, that the BIS had already denied Momentus’s first application in 2018 because of national security issues. It also did not explain that, at the time of the November 2020 registration statement on Form S-4, Momentus’s second application had been referred to BIS’s Operating Committee based on objections by the Defense and State Departments for national security reasons, and at the time of the December 2020 Form S-4 amendment, BIS had itself indicated its intent to deny the application. Those omissions were materially misleading because they left investors with the impression that Momentus anticipated that Kokorich would ultimately receive an export control license, when in fact the company knew or was reckless in not knowing that it would likely not be granted.

60. In both the November and December 2020 Form S-4 registration statements, SRAC included revenue projections for Momentus, forecasting that the company would grow from zero revenues in 2019 to revenues of over \$4 billion in 2027. Those projections failed to take into account the effect of any adverse decisions by the U.S. government based on national security concerns about Kokorich. As disclosed by SRAC in its June 2021 Form S-4 amendment Momentus was forced to considerably reduce its financial projections for the same period due to the year-long delay to its inaugural payload launch caused by the adverse licensing decisions stemming from Kokorich’s national security risks, and contributed to a reduction in the enterprise valuation of Momentus by almost 50%, from more than \$1.1 billion to less than \$600 million.

Violations

61. As a result of the conduct described above, Momentus violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities. Momentus also caused Stable Road’s violations described below.

62. As a result of the conduct described above, SRAC violated Sections 17(a)(2) and (3) of the Securities Act, Section 14(a) of the Exchange Act and Rule 14a-9 thereunder, which prohibit the solicitation of a proxy by means of a proxy statement containing a material false statement, and Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-11 thereunder, which prohibit issuers from filing reports, including Forms 8-K, that contain materially false or misleading information.

63. As a result of the conduct described above, SRC-NI and Kabot caused Stable Road’s violations of Section 17(a)(3) of the Securities Act. Kabot also violated Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

Undertakings

64. Respondent Momentus has undertaken to:

a. Momentus shall, within sixty (60) days of the consummation of the anticipated merger, create and maintain a permanent committee of its Board of Directors,

composed exclusively of independent directors with no compliance history, responsible for overseeing: (i) the implementation of the terms of this Order and (ii) controls governing Momentus's and its management's public statements regarding Momentus, including but not limited to the creation of a disclosure committee of the Board.

b. Momentus shall retain, within sixty (60) days of the consummation of the anticipated merger, the services of an Independent Compliance Consultant ("Independent Consultant") not unacceptable to the staff of the Commission and provide a copy of this Order to the Independent Consultant. The Independent Consultant shall have extensive experience in developing, implementing and overseeing organizational compliance and ethics programs. No later than ten (10) days following the date of the Independent Consultant's engagement, Momentus shall provide the Commission staff with a copy of the engagement letter detailing the Independent Consultant's responsibilities, which shall include all reviews and reports required by this Order. The Independent Consultant's compensation and expenses shall be borne exclusively by Momentus.

c. Momentus shall require the Independent Consultant to:

- i. conduct a comprehensive ethics and compliance program assessment of Momentus's disclosure practices;
- ii. at the end of the review, which in no event shall be more than 210 days after the entry of this Order, submit a written and dated report to Momentus and the Commission staff that shall include a description of the review performed, the names of the individuals who performed the review, the Consultant's findings and recommendations for changes or improvements to Momentus's disclosure practices, policies, procedures, systems, and internal controls, and a procedure for implementing the recommended changes and improvements;
- iii. conduct one annual review 365 days from the date of the issuance of the Independent Consultant's initial report, to assess whether Momentus is complying with its then-current disclosures, policies, procedures, systems, and internal controls and whether the then-current disclosures, policies, procedures, systems, and internal controls are effective in achieving their stated purposes;
- iv. at the end of the annual review, which in no event shall be more than 180 days from the date that the annual review commenced, submit a written annual report to Momentus and the Commission staff that shall include a description of its findings and recommendations, if any, for additional changes or improvements to the disclosures, policies, procedures, systems, and internal controls, and a procedure for implementing the recommended changes and improvements.

d. Momentus shall, within forty-five (45) days of receipt of each of the Independent Consultant's reports, adopt all recommendations contained in the reports, provided,

however, that within thirty (30) days after the date of the applicable report, Momentus shall in writing advise the Independent Consultant and the Commission staff of any recommendations that it considers to be unduly burdensome, impractical, or inappropriate. With respect to any recommendation that Momentus considers to be unduly burdensome, impractical, or inappropriate, Momentus need not adopt that recommendation at that time but Momentus shall instead propose in writing to the Independent Consultant and Commission staff an alternative policy or procedure designed to achieve the same objective or purpose as that recommended by the Independent Consultant. Momentus shall attempt in good faith to reach an agreement with the Independent Consultant on any recommendations objected to by Momentus. Within fifteen (15) days after the conclusion of the discussion and evaluation by Respondent and the Independent Consultant, Momentus shall require that the Independent Consultant inform Momentus and the Commission staff in writing of the Independent Consultant's final determination concerning any recommendation. At the same time, Momentus may seek approval from the Commission staff to not adopt recommendations that the Momentus can demonstrate to be unduly burdensome, impractical, or inappropriate. In the event that Momentus and the Independent Consultant are unable to agree on an alternative proposal within thirty (30) days and the Commission staff does not agree that any proposed recommendations are unduly burdensome, impractical, or inappropriate, Momentus shall abide by the determinations of the Independent Consultant.

e. Within thirty (30) days of Momentus's adoption and implementation of all of the recommendations in the Independent Consultant's reports that the Independent Consultant deems appropriate, as determined pursuant to the procedures set forth herein, Momentus shall certify in writing to the Independent Consultant and the Commission staff that Momentus has adopted and implemented all recommendations in the applicable report. The Commission staff may make reasonable requests for further evidence of compliance, and Momentus agrees to provide such evidence.

f. Momentus shall cooperate fully with the Independent Consultant and shall provide the Independent Consultant with access to such of its files, books, records and personnel as reasonably requested for the Independent Consultant's review, including access by on-site inspection.

g. To ensure the independence of the Independent Consultant, Momentus (1) shall not have the authority to terminate the Independent Consultant or substitute another independent consultant for the initial Independent Consultant without prior written approval of the Commission staff; and (2) shall compensate the Independent Consultant and persons engaged to assist the Independent Consultant for services rendered pursuant to this Order at their reasonable and customary rates.

h. Momentus shall require the Independent Consultant to enter into an agreement that provides that for the period of engagement and for a period of two (2) years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Momentus, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement shall also provide that the Independent Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the

Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Momentus, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement. The reports by the independent consultant will likely include confidential financial, proprietary, competitive business or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) is otherwise required by law.

i. Momentus shall not be in, and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client privilege or any other doctrine of privilege to prevent the Independent Consultant from transmitting any information, reports, or documents to the Commission staff.

j. Momentus shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance no later than sixty (60) days from the completion of each of the undertakings. The Commission staff may make reasonable requests for further evidence of compliance, and Momentus agrees to provide such evidence. The certification and supporting material shall be submitted to Anita Bandy, Associate Director, 100 F Street, NE, Washington, DC 20549.

k. The staff of the Commission may extend any of the procedural dates set forth above for good cause shown. The procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday the next business day shall be considered to be the last day.

65. Momentus shall, jointly with SRAC and upon the issuance of this Order, notify and offer each PIPE investor who entered into a subscription agreement with SRAC on or about October 7, 2020, the right to terminate such subscription agreement during a period of no less than twenty-four hours following such notice and offer. Momentus shall provide written confirmation of the notice and offer, as well any exercise thereof to Commission staff within forty-eight hours of the notice and offer.

66. Respondent SRAC has undertaken to, jointly with Momentus and upon the issuance of this Order, notify and offer each PIPE investor who entered into a subscription agreement with SRAC on or about October 7, 2020, the right to terminate such subscription agreement during a period of no less than twenty-four hours following such notice and offer. SRAC shall provide written confirmation of the notice and offer, as well any exercise thereof to Commission staff within forty-eight hours of the notice and offer.

67. Respondents SRC-NI has undertaken to forego 250,000 founders shares, as that term is defined in the initial registration statement filed by SRAC on Form S-4 on November 2, 2020, that they otherwise were entitled to receive upon shareholder approval of the business combination. SRAC shall provide written confirmation of the relinquishment of the founder's shares to Commission staff within forty-eight hours.

68. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, each Respondent (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) agrees to appoint an agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondents' travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Respondents in any United States District Court for purposes of enforcing any such subpoena.

69. In determining whether accept the Offers, the Commission has considered these undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Momentum cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, and Section 10(b), 13(a) and 14(a) of the Exchange Act and Rules 10b-5, 12b-20, 13a-11, and 14a-9 promulgated thereunder.

B. Respondent SRAC cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act and Sections 13(a) and 14(a) of the Exchange Act and Rules 12b-20, 13a-11, and Rule 14a-9 promulgated thereunder.

C. Respondent SRC-NI from committing or causing any violations and any future violations of Section 17(a)(3) of the Securities Act.

D. Respondent Kabot cease and desist from committing or causing any violations and any future violations of Section 17(a)(3) of the Securities Act and Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

E. SRAC shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of \$1,000,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

F. Kabot shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of \$40,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

G. . . . Momentus shall pay civil penalties of \$7,000,000 to the Securities and Exchange Commission. Payment shall be made in the following installments: \$2,000,000 within 30 days of the entry of this Order and the remaining balance of \$5,000,000 within 364 days of the entry of this order. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Momentus, SRAC, or Kabot as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Anita Bandy, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

H. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the penalties referenced in paragraphs E, F, and G above. Amounts ordered to be paid as civil

money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents Momentus, SRAC, and Kabot agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

I. Respondents Momentus, SRAC, and Kabot acknowledge that the Commission is not imposing a civil penalty in excess of the amounts specified above based upon their cooperation in a Commission investigation or related enforcement action. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondents knowingly provided materially false or misleading information or materials to the Commission, or in a related proceeding, the Division may, at its sole discretion and with prior notice to the Respondents, petition the Commission to reopen this matter and seek an order directing that the Respondents pay an additional civil penalty. Respondents may contest by way of defense in any resulting administrative proceeding whether it knowingly provided materially false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

J. Momentus shall comply with the undertakings enumerated in Paragraphs 64 and 65 above.

K. SRAC shall comply with the undertakings enumerated in Paragraph 66 above.

L. SRC-NI shall comply with the undertakings enumerated in Paragraph 67 above.

M. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, each Respondent (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) agrees to appoint an agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondents' travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Respondents in any United States District Court for purposes of enforcing any such subpoena.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Kabot, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Kabot under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary

Exhibit 2

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

SECURITIES AND EXCHANGE COMMISSION,
100 F Street, N.E.
Washington, DC 20549

Plaintiff,

v.

MIKHAIL KOKORICH,
c/o Dorsey & Whitney
1401 New York Avenue N.W., Suite 900
Washington DC, 20005

Defendant.

Case No. 1:21-CV-1869

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Securities and Exchange Commission (“SEC”) alleges as follows:

SUMMARY OF THE ACTION

1. This case concerns a fraud perpetrated by Defendant Mikhail Kokorich to secure and promote a merger agreement between Momentus Inc. (“Momentus”) and Stable Road Acquisition Corp. (“Stable Road”), which, if successful, would effectively take Momentus public and infuse it with nearly \$350 million in investor funds. Momentus is a privately held space technology company that hopes to provide satellite-positioning services. Kokorich is one of Momentus’s founders and was its Chief Executive Officer (“CEO”) at all relevant times. Stable Road is a publicly traded special-purpose acquisition company (“SPAC”).

2. A Russian citizen who since 2018 has faced repeated adverse determinations from U.S. government agencies for national security reasons, Kokorich engaged in fraudulent conduct to secure and promote the merger agreement with Stable Road. Specifically, Kokorich knowingly

or recklessly made misrepresentations of material facts and misleading omissions and deceived both Stable Road and investors regarding: (1) Momentus's key technology which, when tested in space in 2019, failed Momentus's internal criteria for success; and (2) multiple adverse determinations against Kokorich for national security reasons, which materially impaired Momentus's ability to participate in U.S.-based rocket launches so long as he was involved with the company.

3. Momentus attempted in 2019 to test in space its key technology, a microwave electro-thermal ("MET") water plasma thruster. However, the MET thruster used during that test was not designed for commercial use, and the thruster failed Momentus's own pre-launch criteria for a successful test. As a result, Momentus's technology remains unproven.

4. Moreover, no later than 2018, Kokorich faced multiple adverse determinations by U.S. government agencies because of concerns that he posed a risk to U.S. national security. Therefore, with Kokorich as CEO, Momentus was unlikely to be allowed to participate in U.S.-based rocket launches because U.S. government agencies, including the U.S. Department of Defense, had the authority to block Momentus's involvement in those launches for national security reasons.

5. In the summer and fall of 2020, Kokorich and Stable Road's CEO negotiated the details of a merger agreement between Momentus and Stable Road. During those negotiations, Kokorich did not disclose the failures associated with the tests of the MET thruster in space, or that the U.S. government considered him a risk to national security. To the contrary, Kokorich claimed that the 2019 space test of the MET thruster had been a success and that he was confident that the U.S. government would grant his asylum application, which would allow him to remain and work in the United States.

6. While he was helping negotiate the terms of the merger, Kokorich also participated in a number of presentations to potential Private Investment in Public Equity (“PIPE”) investors, investors who purchase shares of stock in a public company directly from the issuer. Those presentations outlined the purported benefits of the proposed business combination between Momentus and Stable Road and included the material misrepresentations and misleading omissions that Kokorich had previously made.

7. On October 7, 2020, Momentus and Stable Road announced the signing of a merger agreement that would, if ultimately approved by shareholders, essentially take Momentus public and generate millions of dollars for Kokorich, Momentus and others. They also announced that Stable Road had entered into subscription agreements with PIPE investors, pursuant to which the PIPE investors agreed to purchase an aggregate of 17,500,000 shares of common stock of the merged company for \$10.00 per share.

8. Momentus’s business plans and revenue projections, as communicated to PIPE investors and described in registration statements filed with the SEC in connection with the anticipated merger, were premised on Momentus already having proven technology that it could deploy on U.S.-based launches starting in December 2020. But the technology was unproven, and there was profound risk that Momentus would be unable to participate in U.S.-based launches with Kokorich in place as CEO. Because of Kokorich’s knowing or reckless conduct and his misrepresentations and misleading omissions of material fact, PIPE and retail investors in the SPAC were given materially misleading information upon which to make their investment decisions.

9. By engaging in the misconduct described herein, Kokorich violated the antifraud provisions of the Securities and Exchange Act of 1934 (“Exchange Act”) and the Securities Act

of 1933 (“Securities Act”) and aided and abetted violations by Momentus. Kokorich will continue to violate the federal securities laws unless restrained or enjoined by this Court.

10. The SEC seeks injunctive relief, disgorgement, civil penalties, and other appropriate and necessary equitable relief.

JURISDICTION AND VENUE

11. The SEC brings this action, and this Court has jurisdiction, pursuant to Securities Act Sections 20(b), 20(d), and 22(a) [15 U.S.C. §§ 77t(b), (d), and 77v(a)], and Exchange Act Sections 21(d)(1) and 27 [15 U.S.C. §§ 78u(d)(1) and 78aa].

12. Defendant Kokorich, directly or indirectly, singly or in concert with others, made use of the means or instruments of transportation and communication in interstate commerce, or of the mails, or of the facilities of a national securities exchange in connection with the acts, transactions, and practices alleged in this Complaint.

13. Kokorich is subject to personal jurisdiction because, among other things, he lived in the United States during the relevant period, purposefully directed his business activities at the United States, and knowingly provided statements for use in materials used to promote securities transactions in the United States and to be used in SEC filings. In addition, the merger agreement at issue in this case, which Defendant Kokorich signed in his capacity as the CEO of Momentus, contains a forum selection clause providing that “to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended,” and that “[a]ny person or entity holding, owning or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and to have consented” the forum selection clause.

14. Venue is proper in this district pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27 [15 U.S.C. § 78aa] because Defendant transacts business in this district and violations of the securities laws alleged in this Complaint occurred within this district, including the filing of false and misleading documents with the SEC.

DEFENDANT

15. Mikhail Kokorich, age 45, is a Russian citizen who is currently residing in Switzerland. He served as Momentus's CEO from the time he helped to start the company in 2017 until his resignation on January 25, 2021. Kokorich resided in California from at least 2016 until on or about January 27, 2021, when he left the United States.

OTHER RELEVANT ENTITIES

16. Momentus is a privately held company incorporated in Delaware and headquartered in Santa Clara, California. Founded in late 2017, Momentus describes itself as a space infrastructure company, which hopes to provide, among other things, satellite-positioning services.

17. Stable Road Acquisition Corp. is a Delaware corporation with its principal place of business in Venice, California. As a SPAC, Stable Road has no operations of its own and exists for the purpose of merging with a privately held company and effectively taking that company public. On November 13, 2019, SRAC completed its initial public offering of 17,250,000 units at a price of \$10.00 per unit, generating gross proceeds of \$172.5 million. Momentus will receive the proceeds of the IPO upon completion of the proposed merger with Stable Road. SRAC's securities are traded on Nasdaq under the ticker symbols "SRAC," "SRACU," and "SRACW."

I. Background

a. Momentus Is a Startup with Unproven Technology

18. Large commercial satellite launch providers offer launch services to satellite owners but only leave these "rideshare" satellites in a limited range of orbits. Momentus hopes to

offer “last mile” satellite placement services to place these rideshare satellites into custom orbits of the customers’ choosing. According to Momentus’s plans, Momentus will integrate its customer’s payload into Momentus’s vehicle, which will then be loaded onto a larger rocket. The rocket will then leave Momentus’s vehicle in orbit, at which point Momentus will move its vehicle and the customer’s integrated payload into a custom orbit using what it touted in investor presentations as its “cornerstone” technology, a propulsion system using MET water plasma thrusters.

19. Momentus’s business model is premised on the rapid development and testing of its MET water propulsion thruster technology. As Momentus explained in the registration statements at issue in this case: “The success of our in-space infrastructure services business will depend on our ability to successfully and regularly deploy customer satellites into their custom orbits.”

20. In order to do so, Momentus must operate its MET water propulsion thruster reliably in space and provide the necessary thrust and length of operation needed to move customer satellites into specified orbits. An MET water propulsion thruster has never been commercially used in space.

b. Momentus Needed a Test to Market its Technology and Services

21. In late 2018 and early 2019, Momentus, as a small startup, lacked in-space flight experience with its thruster to show that it could deploy customer satellites into custom orbits. As Kokorich recognized, it was important for Momentus to demonstrate that it could build, launch and operate an MET thruster system in space. Kokorich expected that a test in space would help to market Momentus and attract investors.

22. Momentus therefore planned a mission to test its MET thruster in space. In July 2019, Momentus launched an MET thruster on the “MX-1” satellite for the purpose of testing its

thruster in space and performing maneuvers. Prior to the satellite launch, in an internal slide presentation, Momentus partly defined “mission success” as “100 individual burns of 1 minute of more.” A “burn” refers to operating the thruster producing thrust for a period of time.

23. Before the launch of its test mission, Momentus conditioned the public to believe that the mission would demonstrate the thruster’s commercial viability. For example, in a January 2019 blog post on its website, Momentus stated that the mission, which it named “El Camino Real,” would give investors “absolute confidence” that Momentus’s service would be “on time, safe and reliable.” Momentus went on to say that it would “be able to run the thruster long enough to fully characterize its performance in space with dozens of stop start cycles and [to] then safely de-orbit the vehicle.”

24. Momentus, through its launch partner, stated in a publicly filed FCC application on September 12, 2018, that El Camino Real was “a commercial demonstration” of Momentus’s propulsion system that would show its “reliability, longevity, performance, and utility.” Momentus explained in the FCC application that the mission’s objective was to demonstrate that its thrusters provide “cost-effective high delta V [change in velocity from thrust] capability” and thereby show that “this particular system is mature enough to be used by the small satellite market, and can be quickly and easily integrated with CubeSats as well as larger, more capable spacecraft.” Kokorich reviewed this application at the time it was submitted to the FCC.

25. Contrary to the claims in Momentus’s blog post or in the FCC application, the Momentus MET water propulsion thruster, as integrated into the MX-1 satellite, was not powerful enough or appropriate to provide commercial satellite-placement services. Moreover, the thruster was not powerful enough to provide any measurable or detectible changes in the MX-1 satellite’s orbital velocity. As one former Momentus officer stated, the thruster tested in the El Camino Real

mission did not have “commercial potential” because it was “too small, too inefficient, too low in [specific impulse], too low in total impulse.”

c. Momentum’s Test Failed

26. The El Camino Real mission was a failure. After experiencing significant problems with supporting sub-systems and its propulsion system, Momentum attempted only 23 firings, and data suggests that only three hot firings produced plasma. None of those firings lasted a full minute or generated measurable thrust. Momentum lost contact with the satellite approximately three months into the planned six-month mission and was never able to attempt the remaining 77 firings it had planned, much less achieve any of the “100 individual burns of 1 minute or more.” Thus, Momentum failed to meet its own criteria for mission success, as set forth in its internal slide presentation.

27. Momentum did not perform “dozens of start and stop cycles” or “safely deorbit” the vehicle, as represented in its January 2019 blog post.

28. The MX-1 satellite is still in space, but it is not functional.

29. The El Camino Real mission did not demonstrate the commercial viability of the thruster tested. One former Momentum officer stated that the mission yielded “no data to suggest that that thruster would deliver an impulse of any commercial significance,” and that Momentum was not able to characterize the performance of the thrusters. Additionally, a Momentum engineer admitted that the mission did not yield sufficient data to demonstrate the propulsion system’s reliability or longevity.

30. Kokorich was kept informed of the relevant aspects of the El Camino Real results. By his own admission, he understood even before the launch that the mission was not designed to show that the thruster could provide measurable delta-v (change in velocity from thrust), to measure specific impulse (the efficiency of the propulsion system), or to show the thruster’s

reliability. Kokorich was also copied on emails in November 2019 between Momentus's Chief Technology Officer and its Chief Engineer discussing creation of a "failure review board" to study the El Camino Real mission, due to the inability to obtain useful data from the mission because of its failure. In addition, one Momentus's engineer internally acknowledged in February 2020, in a document sent to Kokorich, that Momentus did not obtain "any useful mission results" from the launch.

d. Kokorich Publicly Mischaracterized the Results from Momentus's Test

31. In a September 25, 2019, article in the industry periodical Space News titled, "Momentus reports success in testing water plasma propulsion," Kokorich was quoted as stating, "Water plasma propulsion is now technologically mature enough to be baselined for operational in-space transportation missions," meaning it could be used commercially. He also repeated the claim from Momentus's January 2019 blog post that "the purpose of the El Camino Real mission was to flight demonstrate our core propulsion technology so customers, investors and stakeholders can have absolute confidence that Momentus will deliver their payloads to a given orbit."

32. As Kokorich knew or was reckless in not knowing, his claims in the Space News article were false and misleading because the El Camino Real mission was never intended to demonstrate the thruster's commercial viability or to give investors and customers "absolute confidence" that Momentus could maneuver customer payloads to a custom orbit. Moreover, the mission was a failure because the thruster produced plasma, which is necessary but not sufficient to generate thrust, only three times out of 23 attempts, and for less than a full minute each time, which did not meet Momentus's own criteria and explains why they did not obtain "any useful mission results." Even if the mission had achieved Momentus's internal criteria for success—which it did not, as Kokorich knew—it would not have demonstrated that the thruster was "technologically mature enough to be baselined for operational in-space transportation missions."

e. Adverse Determinations Against Kokorich for National Security Reasons

33. Since 2018, multiple U.S. government agencies have taken actions adverse to Kokorich for national security reasons – a fact known to Kokorich.

34. The Bureau of Industry and Security (“BIS”), a bureau of the U.S. Department of Commerce, oversees the issuance of export control licenses, which authorize the provision of certain technologies to foreign individuals or entities. The stated mission of the BIS is to “advance U.S. national security, foreign policy, and economic objectives.”

35. Because Kokorich is a Russian citizen, he could not access Momentus’s export-controlled technology without an export control license. In 2017, Momentus (then operating under the name “Space Apprentices Enterprise”) applied for an export control license for Kokorich. In March 2018, the BIS denied the application. In its rejection notice to Momentus, BIS explained that, after consulting with the Departments of Defense and State, it had concluded that Kokorich was not an “acceptable recipient” of the technology “for national security reasons.”

36. In April 2018, in connection with Kokorich’s investment in a different space technology company he founded before Momentus, the Committee on Foreign Investment in the United States (“CFIUS”), an intergovernmental agency that includes the U.S. Departments of Commerce, Defense, and State sent a letter to Kokorich. In that letter, CFIUS informed Kokorich that it “believe[d]” his investment and the investments of certain others “pose[d] a risk to the national security of the United States.” CFIUS explained that its analysis included an assessment of whether “a foreign person has the capability or intention to exploit or cause harm” (which CFIUS defines as the “threat”), and “whether the nature of the U.S. business creates susceptibility to impairment of U.S. national security (the “vulnerability”).” CFIUS further explained that a national security risk is a “function of the interaction between threat and vulnerability.”

37. On or about June 22, 2018, CFIUS representatives participated in a teleconference with Kokorich's attorneys. On that call, CFIUS representatives informed Kokorich's attorneys that CFIUS had determined that a full divestiture of Kokorich's participation in the space technology company was necessary to mitigate the national security concerns.

38. After the teleconference, in a letter response dated June 24, 2018, on which Kokorich was copied, Kokorich's attorneys stated that they understood that CFIUS had deemed Kokorich a national security risk and tried to persuade CFIUS to reconsider this determination. Kokorich's attorneys argued that he was actually a national security asset and a vocal critic of the Russian government.

39. Kokorich's argument did not work. In a letter dated June 25, 2018, CFIUS told Kokorich that it would require him to divest his ownership and control interest in the space technology company. CFIUS explained that its concerns related, in part, to the sophistication of the company's technology and concerns involving Kokorich and other foreign investors.

f. Kokorich's Attempts to Legally Remain in the United States Were Repeatedly Rebuffed

40. In or about June 2018, U.S. Customs and Immigration Services ("USCIS") revoked Kokorich's work visa and denied his application for permanent resident status. In response, Kokorich applied for political asylum and withholding of removal proceedings in September 2018, claiming again that he was a prominent critic of the Russian government.

41. A year later, on or about August 28, 2019, USCIS issued a referral notice informing Kokorich that it had not granted his asylum application, and that it had referred his case to an immigration judge for adjudication in removal proceedings. USCIS stated that its determination was based on "inconsistencies" in Kokorich's application and testimony "with regard to [his] political affiliations and activities in Russia."

42. On or about that same date, multiple government agencies, including the FBI, the U.S. Department of Homeland Security, and the BIS's Office of Export Enforcement, arrived unannounced at Momentus's headquarters. Agents questioned multiple Momentus employees about possible export control violations by Kokorich as well as improper technology transfers.

43. Before they left, the federal agents detained Kokorich and transported him to an immigration detention center. Kokorich was subsequently released on bond.

g. Kokorich Sought a SPAC Merger with Momentus

44. By late 2019, Momentus was in constant fundraising mode. The company had no revenues and needed additional capital to fund its growth. Beginning in early 2020, Kokorich had discussions with an investment bank in an attempt to secure additional capital for Momentus's operations. In mid-2020, Momentus formally engaged the bank and sought its assistance to find a suitable SPAC candidate for a merger.

45. In addition to his discussions with Stable Road, Kokorich had discussions with two other SPACs. The two other SPACs chose not to move forward with a merger with Momentus because Momentus was still at a relatively early stage and immature as a company.

46. On or about June 29, 2020, Kokorich and Stable Road's CEO met in person for the first time at Stable Road's offices in California to discuss the possibility of a merger between the two companies. After the initial discussion, merger negotiations began in earnest in July 2020. Kokorich remained heavily involved in merger negotiations, including on the subject of Momentus's valuation and business model. He also helped develop a list of PIPE investors to contact and reviewed draft presentations to PIPE investors.

47. Pursuant to the merger agreement ultimately signed by Momentus and Stable Road, if approved by the shareholders, Kokorich would become the CEO of the new merged company.

Kokorich was also entitled to exchange his shares of Momentus stock for approximately 19 million shares of stock in the new publicly traded company, which would be between 13.5% and 14.3% of the total shares outstanding.

II. Kokorich and Momentus Made Misrepresentations of Material Fact and Misleading Omissions about Momentus's Technology

48. From his very first meeting with Stable Road's CEO on June 29, 2020, Kokorich made misrepresentations and misleading omissions of material fact. For example, Kokorich told Stable Road's CEO that the El Camino Real mission had been a success and that it was a great achievement for Momentus to have fired the thruster and tested its propulsion technology in space. Specifically, Kokorich said that Momentus had performed a number of tests, with recorded data, and that the vehicle was still in space although they could no longer conduct additional tests.

49. Notably, in that discussion, Kokorich omitted material facts that made his statements about the El Camino Real mission misleading. Kokorich did not tell Stable Road's CEO of any of the failures, problems, shortcomings, or issues with the El Camino Real mission described above. Moreover, Kokorich did not explain to Stable Road's CEO that the El Camino Real mission was not designed to show any demonstrable impulse or delta-v from the thruster, or to demonstrate the thruster's reliability.

50. At the time he made these misstatements and misleading omissions of material fact, Kokorich knew, was reckless in not knowing, or should have known that Stable Road and its CEO would rely on his statements in determining to proceed with the merger and PIPE fund-raising, and that his false and misleading statements would be repeated to investors while promoting the merger.

51. Before signing the merger agreement, Momentus and Stable Road made multiple presentations to potential PIPE investors via Zoom. Kokorich personally participated in these

presentations, and he mentioned the alleged “success” of the El Camino Real mission, but failed to disclose the significant failures, problems, shortcomings, and issues described above. The presentations were conducted by video conference and included slides that were shown to the PIPE investors during the presentations. Each of those presentations contained a slide titled, “Momentum at a Glance,” which misleadingly claimed that Momentum “successfully tested water based propulsion technology on a demo flight launched mid-2019 – is still operational today.” In total, PIPE investors agreed to purchase 17,500,000 shares of common stock of the merged company for \$10.00 per share.

52. Momentum and Stable Road announced their merger on October 7, 2020. That day, Kokorich and Stable Road’s CEO made a presentation on a conference call to analysts and institutional investors using slides virtually identical to the ones shown to PIPE investors. This presentation similarly contained the claim that Momentum “successfully tested water based propulsion technology on a demo flight launched mid-2019 – is still operational today.” In his scripted comments, Kokorich falsely reiterated that Momentum had “successfully tested our groundbreaking thruster in space.” Again, Kokorich failed to disclose the significant failures, problems, shortcomings, or issues described above. Stable Road publicly filed a copy of these slides and the presenters’ script on a Form 8-K later that day.

53. During Kokorich’s tenure as Momentum’s CEO, Stable Road filed an initial S-4 registration statement related to the merger on November 2, 2020, and a subsequent amended registration statement on December 14, 2020. A registration statement is a filing with the SEC making required disclosures in connection with the registration of a security, a securities offering, or an investment company under federal securities laws.

54. Kokorich participated in the preparation of the November and December 2020 S-4 registration statements, and specifically the subsections of the S-4 statements that described or contained information about Momentus. In addition to the overall review and approval of Momentus's portion of the registration statements as Momentus's CEO, Kokorich helped to draft what he described as the technology and business or market strategy sections of the S-4 statements.

55. Each registration statement contained a subsection titled, "Information about Momentus" that is written in Momentus's voice, and that Momentus drafted. In this subsection of each registration statement, Momentus falsely states that it "successfully tested our water plasma propulsion technology in space," referring to the El Camino Real mission.

56. Each subsection also contained a graphic captioned: "Our water plasma propulsion technology." In the body of the slide there is a diagram of a thruster surrounded by various claims about the thruster's functionality, including: "High ISP – Tunable up to 2 to 5 times common chemical propulsion systems"; and "High thrust – Tunable up to 3 to 10 times most common electrical propulsion systems."

57. Momentus's characterizations of the El Camino Real mission in the registration statements were false and misleading. Momentus boasted in its graphic that its "water plasma propulsion technology" offered high thrust and high ISP (specific impulse), and elsewhere claimed that its "water plasma propulsion technology" was successfully tested in space. However, the El Camino Real mission did not demonstrate high thrust or high specific impulse. It did not demonstrate that the thruster it tested was "tunable up to 2 to 5 times common chemical propulsion systems" or "up to 3 to 30 times most common electrical propulsion systems." The registration statements failed to disclose any of the significant failures, problems, shortcomings, or issues

described above. The claims in the registration statements that Momentus “successfully tested” its technology were therefore materially false and misleading.

58. Moreover, the only publicly available criteria for what constituted success for the mission were contained in Momentus’s pre-launch blog post and the FCC application filed by Momentus’s launch partner. By characterizing the mission as a success without explaining the many failures and problems experienced during the mission, or that the mission failed Momentus’s pre-launch evaluation criteria, Kokorich and Momentus made materially false statements and/or omitted facts necessary to make their statements not misleading.

59. Investors had no way of knowing, based on the bare claim that the El Camino Real mission “successfully tested” Momentus’s thrusters, that the mission did not demonstrate that Momentus’s services would be “on time, safe and reliable,” as promised in the blog. Similarly, they had no way to know that the mission did not demonstrate the thrusters’ “reliability, longevity, performance, and utility,” as described in the FCC application.

60. On June 29, 2021, Stable Road and Momentus filed with the SEC an amended registration statement that corrected these false statements and misleading omissions by describing the actual results of the El Camino Real mission. The registration statement explained that “[t]he mission’s objective was to demonstrate the MET’s ability to produce water plasma in space by performing 100 one minute firings.” After discussing the failure of the MX-1 satellite, and the associated problems with the attempted firings of the thruster which were stopped “after only 23 of the planned 100 firings had been performed,” the statement clarified that “a pump issue significantly restricted flow of water into the thruster during nine of the 12 hot firings, preventing plasma generation” and that “the three hot firings that did have water present were found to have produced plasma.”

61. Kokorich and Momentus’s false statements and misleading omissions were material to investors. Because Momentus can only generate revenue under its current business plan if its thruster can generate commercially significant thrust, reasonable investors would find it important to know whether Momentus had actually proven that its technology is commercially viable. They would find it important to know whether Momentus had shown that its services would be “on time, safe and reliable” or whether Momentus could “deliver [customer] payloads to a given orbit.” They would also find it important to know whether the mission succeeded according to Momentus’s pre-launch definition of success. By misleading investors about the results of the in-space testing, Kokorich and Momentus gave investors false comfort that Momentus was further on the road to the commercial deployment of its technology than it actually was.

62. Kokorich and Momentus knowingly or recklessly made the misrepresentations and omissions of material fact regarding the El Camino Real mission, as described in paragraphs 48 through 61 above. They understood that the launch was never designed to test the commercial viability of Momentus’s thrusters. They also knew that the launch did not yield “any useful mission results,” as one of Momentus’s engineers wrote in an internal document shared with Kokorich. Yet they claimed that the test would give investors “absolute confidence” that Momentus could deliver customer payloads to a given orbit and repeatedly represented that the mission was a success without any qualification.

III. Kokorich and Momentus Made Misrepresentations of Material Fact and Misleading Omissions about Kokorich’s National Security Issues

a. U.S. Government Agencies’ National Security Determinations Regarding Kokorich Threatened Momentus’s Viability

63. Before it is able to launch any vehicle on a U.S. mission, Momentus or its launch partners must obtain licenses from various U.S. government agencies, including the Federal

Aviation Administration (“FAA”). Those agencies have the authority to deny a license for national security reasons and work in consultation with the U.S. Department of Defense to determine if the payload of a mission presents a national security risk.

64. If Momentus or its launch partner is unable to obtain the necessary licenses, Momentus cannot execute on its business plan. It may be unable to conduct additional missions to test its technology. It may also never be able to offer commercial satellite placement services.

65. The U.S. government’s national security-related determinations about Kokorich therefore posed a significant threat to Momentus’s ability to participate in launches and generate meaningful revenue and were material.

b. Kokorich and Momentus Repeatedly Mischaracterized Kokorich’s National Security Issues

66. Just as he had misled Stable Road’s CEO about the purported “success” of the El Camino Real mission, from the beginning of the merger discussions, Kokorich told Stable Road’s CEO that he was confident that his asylum application would be approved. Specifically, Kokorich told Stable Road’s CEO prior to signing the merger agreement that he had a strong case for political asylum, and that he also had a second path to U.S. citizenship if for any reason the asylum application was not granted. Kokorich’s immigration status was of interest to Stable Road because Kokorich was supposed to lead the new company and because Momentus described him as important to the company’s success. As Momentus stated in the relevant registration statements filed on November 2, 2020 and December 14, 2020, “Momentus is highly dependent on Mikhail Kokorich, its co-founder and chief executive officer. Mr. Kokorich invented the majority of Momentus’s inventions and remains deeply involved in Momentus’s business.”

67. Notably, Kokorich did not tell Stable Road’s CEO that the USCIS had previously issued a referral notice saying that it had not granted his asylum application, and that it had referred

his case to an immigration judge for adjudication in removal proceedings. Kokorich also assured Stable Road's CEO that the CFIUS divestiture order regarding his other space technology company was closed, and that it was a different situation from his Momentus ownership. In that vein, Kokorich asserted that the issues CFIUS raised in the prior matter had to do with other investors, not specifically him, even though he knew or was reckless in not knowing the opposite was true based on CFIUS's communications with his counsel.

68. Kokorich and Momentus also failed to share with Stable Road the extent of Kokorich's national security issues with the U.S. government. Specifically, they did not tell Stable Road that U.S. government agencies had previously, and repeatedly, made adverse determinations against Kokorich for national security reasons.

69. Despite Kokorich's assurances that his asylum application would be granted, U.S. government agencies' adverse determinations against Kokorich for national security reasons continued to create problems for him and Momentus in the months leading up to the merger announcement. In February 2020, Momentus filed a new application for an export control license for Kokorich. On April 15, 2020, Momentus learned that the application's status was "hold without action," meaning the application had been placed on hold by the BIS reviewer. On October 7, 2020, the day the merger was announced, a BIS representative emailed Momentus's Deputy General Counsel and Chief Ethics and Compliance Officer to convey, in part, that the Departments of Defense and State had indicated that they would recommend denying the application. Two days later, the same representative further disclosed that the Departments of Defense, State and Energy had all recommended denying the application. On October 23, 2020, the representative emailed to disclose that BIS's Operating Committee had determined to deny the license, although the representative indicated the possibility that he might seek to appeal that decision internally.

70. On November 9, 2020, after the filing with the SEC of the first registration statement for the merger, but before the filing of the second registration statement, Momentus and Kokorich learned that there would be no internal appeal and that U.S. Department of Commerce would deny Momentus's pending application for an export control license for Kokorich. Momentus received the formal notification of the intent to deny the application. That letter notification stated that Momentus's technology would make a "significant contribution to the military potential to any other country or combination of countries which would prove detrimental to the national security of the United States" and that Kokorich was not an acceptable recipient of Momentus's technology.

c. Kokorich's National Security Issues Negatively Affected Momentus's Operations

71. The growing issues that Momentus faced by having Kokorich as a CEO came to a head in December 2020, just two months after the merger announcement. Momentus was scheduled to participate in a launch with a large commercial launch provider in January 2021. That launch represented a key milestone for Momentus because it was supposed to be the company's first commercial flight.

72. On December 22, 2020, the FAA notified the launch provider that it would not approve the upcoming rocket launch with Momentus's payload on board. As a result, the launch provider removed Momentus's payload from its rocket and proceeded with the launch. On January 4, 2021, Momentus issued a press release stating that it was "remanifesting its January 2021 mission to a subsequent launch opportunity in 2021," which would "allow for the additional time necessary to secure FAA approval of Momentus's payloads." On January 7, 2021, the FAA sent a letter to the launch provider explaining that the Department of Defense had identified potential national security concerns with Momentus's payloads and that it could not approve the provider's launch if

it included Momentus's payload because the Department of Defense's review would not be complete before the launch date.

73. Shortly after this setback, on January 21, 2021, Momentus learned of a letter from the Department of Defense stating that Momentus posed a risk to national security as a result of Kokorich's ownership and control of the company. On January 25, 2021, Kokorich stepped down as CEO of Momentus and placed his shares of Momentus stock in a voting trust.

74. Even that did not solve Momentus's problems, however. In May 2021, the FAA once again did not approve Momentus's participation in a June 2021 launch with the launch provider. On May 10, 2021, Momentus received a letter from the U.S. Federal Aviation Administration ("FAA") denying Momentus's application for a payload review.

75. The FAA explicitly based its denial on a finding that the launch of Momentus's payload would jeopardize national security due to Momentus's then-current corporate structure.

76. Later in May 2021, the launch provider informed Momentus that it would not allow any Momentus payload on any launch through the end of the year while Momentus "works to secure approvals from the U.S. government." Momentus's best-case scenario, therefore, is an inaugural commercial launch in January 2022, a full year after Momentus hoped to begin offering commercial services.

77. On June 9, 2021, Kokorich and Momentus entered into a National Security Agreement with CFIUS, pursuant to which Kokorich agreed to fully divest from the company and Momentus agreed, among other things, to implement increased security measures and appoint a CFIUS-approved director to its board of directors.

d. Material Misrepresentations and Misleading Omissions in the Registration Statements

78. As a result of Kokorich and Momentus's deception, both the initial registration statement, filed in November 2020, and the amended registration statement, filed in December 2020 (after Momentus learned that Kokorich's most recent application for an export license would be denied for national security reasons), contain material false statements and misleading omissions regarding Kokorich's national security status. As described in Paragraph 54, Kokorich participated in the preparation of the November and December 2020 S-4 registration statements. In his role as CEO, Kokorich generally reviewed and approved Momentus's portion of the registration statements.

79. As described above, each registration statement contained a subsection titled, "Information about Momentus," that Momentus drafted. Kokorich reviewed and approved these subsections before they were provided to Stable Road for inclusion in the registration statement. In that subsection, Momentus stated that it believed Kokorich's asylum application would be granted. Because the U.S. government would be unlikely to grant asylum to an individual it viewed as a national security threat, that statement falsely implied that Kokorich was not a national security risk. Kokorich knew that multiple U.S. government agencies had raised national security concerns about him and had provided specific grounds for doing so. To state that Momentus believed Kokorich's asylum application would be granted without disclosing the actions taken by these agencies or their stated grounds for doing so was materially misleading.

80. Additionally, in the "Risk Factors" subsection, which Momentus also drafted and provided to Stable Road for inclusion in the registration statement, and which Kokorich reviewed and did not correct, Momentus disclosed that Kokorich had not "yet" obtained an export control license. Momentus did not explain, however, that the BIS had denied Momentus's first application

in 2018 because of national security issues. It also did not explain that, at the time of the first registration statement, Momentus's pending application had been placed on hold or that, at the time of the second registration statement, BIS had formally communicated its intent to deny the application for national security reasons. Those omissions were materially misleading because they left investors with the impression that Momentus anticipated that Kokorich would ultimately receive an export control license, when in fact the company had no basis for that expectation given Kokorich's national security problems.

81. Both the initial and first amended S-4 registration statements included aggressive revenue projections for Momentus, forecasting that the company would grow from zero revenues in 2019 to revenues of over \$4 billion in 2027. Those projections were materially misleading, however, because they failed to disclose that Kokorich's ownership and leadership of the company jeopardized Momentus's ability to earn any revenue from U.S.-based launches, and Momentus only had U.S.-based launches planned at the time.

82. Kokorich knew all of the relevant facts related to the various adverse determinations against him for national security reasons. Specifically, Kokorich knew that in 2018 he had to divest his interest in his prior space technology company because CFIUS determined he posed a threat to national security. He also knew that Momentus's 2020 application for an export control license for him would be denied for national security reasons. Similarly, he knew that his asylum application was based on a claim that he was a prominent critic of the Russian government, an argument that had failed to persuade CFIUS in 2018 that he was not a national security risk. And he knew or was reckless in not knowing how his status as a national security risk could threaten Momentus's ability to join U.S.-based launches as discussed in Momentus's business plans.

83. Kokorich also knew or was reckless in not knowing that he failed to share this information with Stable Road. He also knew or was reckless in not knowing that the omission of the fact that the denial of the export control licenses for Kokorich because he had been deemed a national security risk would mislead investors. And he knew or was reckless in not knowing that his claim that his asylum application would likely be granted, which ignored the U.S. government's repeated conclusions that he was a national security risk, was false.

CLAIMS

FIRST CLAIM FOR RELIEF

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

84. Paragraphs 1 through 83 are realleged and incorporated by reference as if fully set forth herein.

85. By reason of the conduct described above, Kokorich, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly: (a) used or employed devices, schemes, or artifices to defraud; (b) made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons. As alleged above, Kokorich's fraudulent violations included: misleading Stable Road and its representatives regarding Momentus's technology and his own national security issues; participating in the creation, editing, or approval of investor presentations that contained misrepresentations or misleading omissions of material fact; making false and misleading statements and omissions of material fact directly to PIPE investors; and participating in the

creation, review and approval of portions of the relevant registration statements that contain misrepresentations or misleading omissions of material fact.

86. While engaging in the conduct described above, Kokorich acted knowingly or recklessly.

87. By engaging in the conduct described above, Kokorich violated, and unless restrained and enjoined will again violate, Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

SECOND CLAIM FOR RELIEF

(Against Kokorich for Violations of Section 17(a) of the Securities Act)

88. Paragraphs 1 through 83 are realleged and incorporated by reference as if fully set forth herein.

89. By reason of the conduct described above, Kokorich, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly: (i) employed devices, schemes, or artifices to defraud; (ii) obtained money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (iii) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser. As alleged above, Kokorich's fraudulent violations included: misleading Stable Road and its representatives regarding Momentus's technology and his own national security issues; participating in the creation, editing, or approval of investor presentations that contained misrepresentations or misleading omissions of material fact; making false and misleading statements and omissions of material fact directly to PIPE investors; and participating

in the creation, review and approval of portions of the relevant registration statements that contain misrepresentations or misleading omissions of material fact.

90. While engaging in the conduct described above, Kokorich acted knowingly, recklessly, or negligently.

91. By engaging in the conduct described above, Kokorich violated, and unless restrained and enjoined will again violate, Sections 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF

(Against Kokorich for Aiding and Abetting Momentus's Violations of Section 10(b) of the Exchange Act)

92. Paragraphs 1 through 83 are realleged and incorporated by reference as if fully set forth herein.

93. Momentus violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by reason of Kokorich's conduct described above and by making false statements and misleading omissions of material fact in the relevant registration statements.

94. Kokorich knowingly or recklessly provided substantial assistance that aided and abetted Momentus's violations.

95. Accordingly, pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], Kokorich is liable for Momentus's violations.

FOURTH CLAIM FOR RELIEF

(Against Kokorich for Aiding and Abetting Violations of Section 17(a) of the Securities Act)

96. Paragraphs 1 through 83 are realleged and incorporated by reference as if fully set forth herein.

97. Momentus violated Section 17(a) of the Securities Act [15 U.S.C. §§ 77q] by reason of Kokorich's conduct described above and by making false statements and misleading omissions of material fact in the relevant registration statements.

98. Kokorich knowingly or recklessly provided substantial assistance that aided and abetted Momentus's violations.

99. Accordingly, pursuant to Section 15(b) of the Securities Act [15 U.S.C. § 77o(b)], Kokorich is liable for those violations.

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court enter a Final Judgment:

I.

Issue findings of fact and conclusions of law that Defendant Kokorich committed the alleged violations.

II.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Defendant Kokorich and his agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

III.

Order Defendant to disgorge all funds received from his illegal conduct, together with prejudgment interest thereon, under Section 21(d)(5) and Section 21(d)(7) of the Exchange Act.

IV.

Order Defendant to pay civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

V.

Enter an order against Kokorich pursuant to Sections 20(e) of the Securities Act [15 U.S.C. § 77t(e)], and Sections 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], prohibiting him from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may determine to be just and necessary.

JURY TRIAL DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Commission demands a jury trial on all the issues so triable.

Dated: July 13, 2021

Respectfully submitted,

/s/ Fernando Campoamor-Sánchez

Melissa Armstrong

Tel: 202.551.4724

Email: armstrongme@sec.gov

Fernando Campoamor-Sánchez (DC Bar No. 451210)

Tel: 202.551.8523

Email: campoamorsanchezf@sec.gov

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Exhibit 3

**Export License
 Rejection Notice
 Z1553164
 Action Date:** March 22, 2018



**UNITED STATES DEPARTMENT OF COMMERCE
 BUREAU OF INDUSTRY AND SECURITY
 WASHINGTON, D.C. 20230**

Pursuant to Section 10 of the Export Administration Act of 1979, as amended, the referenced application for export license is denied. In reaching the decision we gave full consideration to any rebuttal you may have made to previous communication from this office. The right to appeal this decision expires 45 days from the date of this notice. The appeal procedure is outlined in Part 756 of the Export Administration Regulations. If you have questions regarding Export Controls please contact the Outreach and Educational Services Division at 202-482-4811 or the Western Regional Office at 949-660-0144.

Applicant Reference Number: SAE0001

APPLICANT: S715298
 Space Apprentices Enterprise
 11801 Francemont Drive
 Los Altos Hills, CA 94022
 United States

ULTIMATE CONSIGNEE:
 Mikhail Kokorich
 11801 Francemont Drive
 Los Altos Hills, CA 94022
 Russia Federation

ATTN: Jennifer Smith

REASON:

After reviewing your application for commodities classified under 9x515 (¿515 commodities¿), the Department of Commerce, in consultation with the Department of Defense and the Department of State, denies the application referenced above at this time. Pursuant to Section 3(2)(A) and 5(a) of the EAA, the Department has concluded that the ultimate consignee is not an acceptable recipient at this time of U.S.-origin items controlled for national security reasons.

COMMODITIES:

QTY	DESCRIPTION	ECCN	TOTAL PRICE
1	Technology required for the use of electrothermal propulsion devices and thrusters.	9E515	\$1.00
TOTAL:			\$1.00

DENNIS KREPP
 DIVISION DIRECTOR
 BIS/EA/STC/SA



Exhibit 4

BakerHostetler

Baker & Hostetler LLP

Washington Square, Suite 1100
1050 Connecticut Avenue, N.W.
Washington, DC 20036-5403

T 202.861.1500
F 202.861.1783
www.bakerlaw.com

Kerry T. Scarlott
direct dial: 202.861.1585
kscarlott@bakerlaw.com

June 24, 2018

VIA ELECTRONIC MAIL

**Confidential Pursuant to
50 U.S.C. § 4565**

FOIA Exempt

Mr. Stephen Hanson
Staff Chairperson
Committee on Foreign Investment in the United States
Office of Investment Security
Department of Treasury
1500 Pennsylvania Ave., NW, Room 5221
Washington, DC 20220

Re: CFIUS Case 18-063 - Kokorich Stock Holdings in Astro Digital U.S., Inc.¹

Dear Mr. Hanson:

We are writing in follow-up to our June 22, 2018 teleconference with several of your CFIUS colleagues in the U.S. Departments of Treasury and Defense regarding the national security implications of the investment by Mikhail and Liudmila Kokorich (“the Kokoriches”) in Astro Digital US, Inc. (“Astro Digital” or the “Company”) in connection with the above-referenced CFIUS case (formerly CFIUS Case 18-016 and CFIUS Case 17-211).

¹ Pursuant to Section 721(b) of the Defense Production Act of 1950, as amended, Mikhail and Liudmila Kokorich request that the information and documentary material submitted herewith be treated as confidential information exempt from disclosure under the Freedom of Information Act (the “FOIA”), 5 U.S.C. Section 552 et seq., in keeping with the requirements of 50 U.S.C. App. 2170(c). The Kokoriches have submitted this information on the basis that the information and documentary material presented herewith are exempt from disclosure to the public under the FOIA. Furthermore, the Kokoriches have submitted this information based on their understanding that CFIUS will not share it with any other party to CFIUS Case 18-063, or their respective counsel. This further understanding is a key aspect of the Kokoriches’ willingness to share highly sensitive information with CFIUS.

Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC



Mr. Stephen Hanson
June 24, 2018
Page 2

During the teleconference, CFIUS informed us that it is preparing to order the Kokoriches to divest their ownership interest in Astro Digital. According to your colleagues, CFIUS has concluded that the Kokoriches present a threat to the national security of the United States, such that CFIUS is preparing to order them to divest their ownership in Astro Digital along with the other foreign investors in the Company. As we expressed during the call, we believe that any such order regarding the Kokoriches is inconceivable and wildly inconsistent with the information we have provided. Indeed, that information shows that the Kokoriches are an asset, rather than a threat, to U.S. national security.

It appears that CFIUS has failed to consider the distinguishing circumstances of the Kokoriches' investment in Astro Digital, and the family's deep connections to the United States, despite the wealth of information we have provided to CFIUS. The Kokoriches are unique in what they contribute to Astro Digital and to the United States as compared to the other foreign investors, and any decision by CFIUS that treats the Kokoriches like the other foreign investors does not recognize the same. Forcing the Kokoriches to divest their ownership stake in Astro Digital would constitute a gross failure by CFIUS to extend due process to the Kokoriches, and amount to an unconstitutional taking of personal property. Such a decision would also cause immediate, unwarranted, and irreparable harm to both the Kokoriches and Astro Digital. We again implore CFIUS to reconsider its decision.

We have provided direct and incontrovertible evidence of the vast differences in circumstances between the Kokoriches and the other foreign investors vis a vis Astro Digital. We understand that CFIUS believes at least some of that information is outside the scope of its review. We believe otherwise, and in any event, we note that the Kokoriches' family circumstances provide them with ample motivation to continue their fight to retain their investment in Astro Digital, and by extension, their opportunity to remain in the United States.

Immediately below is a brief refresh of the most important factors that we believe show, incontrovertibly, that the Kokoriches' investment in Astro Digital is distinguishable from that of the other foreign investors, and does not, in any event, present a national security threat to the United States.

➤ ***Greenfield Investment***

The Kokoriches originally acquired their shares in Astro Digital in connection with the founding of the Company. In other words, the Kokoriches obtained their ownership through a greenfield investment that was, and remains, outside CFIUS coverage. We intend to emphasize this threshold fact in any appeal.

➤ ***Mikhail is an Asset to U.S. National Security / Active Supporter of and Financial Contributor to Anti-Putin Organizations***

Mikhail is, and by extension, his family are, U.S. national security assets, not risks. Mikhail is well known and respected in the emerging New Space industry. He is also an active supporter of and financial contributor to several high profile anti-Putin organizations that are antithetical to

Mr. Stephen Hanson
June 24, 2018
Page 3

Russian President Putin and the current Russian government, including the Open Russia Foundation, Free Russia Foundation, and the Institute of Modern Russia. Mikhail's involvement in these anti-Putin organizations is so significant that Mikhail's parents in Siberia were recently threatened by the Russian state police and told that Mikhail would have "big problems" if he ever returns to Russia. Any decision that forces the Kokoriches to divest their ownership interest in Astro Digital will have the effect of forcing them to leave the United States to our nation's detriment.

➤ ***Astro Digital's Technology Is Common / Respect for U.S. Export Controls***

Astro Digital's technology is controlled exclusively under the Export Administration Regulations ("EAR"), as opposed to the International Traffic in Arms Regulations ("ITAR"). The technology is therefore not, by definition, related to either military or intelligence-based requirements or attributes. In addition, contrary to DoD's apparent assessment, we can attest to the fact that the technology is not groundbreaking, and that the associated spacecraft is comprised largely of commercial off-the-shelf components acquired from foreign suppliers. Moreover, Astro Digital's proposed service offering is no different from that provided by other commercial enterprises, including some based outside of the United States. We refer you to the ample evidence that Astro Digital itself has provided regarding the same.

In addition to the foregoing, and in any event, both Astro Digital and Mikhail are well versed in U.S. export control and sanctions laws and regulations, and very much respect concomitant restrictions on access to controlled technology. Mikhail takes a leadership role to ensure that robust technology control plans are in place within companies in which he is involved, including Astro Digital. As CFIUS is likely well aware, U.S. persons lead Astro Digital and are committed to compliance with all relevant laws and regulations. Accordingly, there is no scenario in which either Mikhail or the Company would allow Mikhail to have access to controlled technology without proper U.S. government authorization.

➤ ***Dire Financial Condition of Astro Digital***

As a direct result of the ongoing CFIUS case, which has now spanned almost two years, Astro Digital has not been able to obtain new investment or funding, even from U.S. parties, and is now in a dire financial condition. Without immediate funding, including from the Kokoriches if permitted, Astro Digital will run out of funds within the next month. Ironically, the CFIUS case has had the ironic effect of stifling U.S. technological advancement and causing the precipitous decline of a U.S. business.

➤ ***Kokoriches' Integration into the United States***

As previously noted, having long admired the United States and amidst growing concerns regarding Vladimir Putin's authoritarian rule, the Kokoriches left Russia in 2013 and entered the United States. Since that time, the Kokoriches have invested a substantial amount of their considerable resources, both monetary and personal, within the United States. Mikhail and his family no longer have any investments in Russia or direct dealings with Russian entities or the

Mr. Stephen Hanson
June 24, 2018
Page 4

Russian government. The Kokoriches have significant ties to their community in the United States. They have a home in California with strong ties to the community, and their two daughters, Anna and Alena, are both thriving in school. In addition, the Kokoriches' investments and business acumen have created a variety of high quality U.S.-based jobs and supported U.S.-based technology development, both of which greatly benefit the United States.

For all of the reasons noted above and previously submitted, we again implore CFIUS to consider the national security implications of the Kokoriches' investment in Astro Digital separately from those of the other foreign investors in the Company. Any decision to treat the Kokoriches in the same manner as the other foreign investors in Astro Digital will almost certainly result in further adjudication of this matter.

As always, we will be happy to provide additional information and address any questions CFIUS may have. Thank you for your continued consideration.

Sincerely,

Kerry T. Scarlott

Kerry T. Scarlott

cc: Mikhail and Liudmila Kokorich
Lana Muranovic, Esq.

Exhibit 5

Re: Need El Camino Real Failure Review Board

From: Nathan Orr <nathan.orr@momentus.space>
To: Joel Sercel <joel.sercel@momentus.space>
Cc: Alex Wicks <alexander.wicks@momentus.space>, Mikhail Kokorich <mk@momentus.space>, Dawn Harms <dawn.harms@momentus.space>, Alexander Fishkin <alex@momentus.space>
Date: Wed, 27 Nov 2019 17:15:34 +0000

Hey Joel,

I'm not sure we will get significant value from bringing in outsiders and it will slow down the process (coordination, NDAs, etc...). Technically we are the outsiders for this review as we don't have intimate knowledge of their technology or processes. I am confident our people can quickly review their data and find a path forward.

I will talk to AD and kick this off.

Nathan



Nathan Orr

Chief Engineer

+1 (650) 316 3096

momentus.space

This email and any attachments may contain private, confidential, and privileged material for the sole use of the intended recipient. If you are not the intended recipient, please immediately delete this email and any attachments.

On Nov 26, 2019, at 5:16 PM, Joel Sercel <joel.sercel@momentus.space> wrote:

Hi Nathan

Even if we recover the spacecraft, at this point it is my judgement that we need to convene a failure review board because the computer is proven not reliable enough IMO as CTO to baseline for Vigoride without corrective action and a failure cause. I am sure AD will want Jan King involved, but this needs to be our board and they need to pay for their costs. Jan can be a presenter, but not a board member (This is his failure). Which outsiders can we get quickly to crawl over the data from this mission and their other missions in which this anomaly has taken place, and figure out what is going on and how to save Vigoride 0.8?

I think it is critical that Kyle be involved heavily as a presenter in this.

I am asking you to lead this process as our Chief Engineer. This should be a highly technical informal process. Would like to have a plan and way ahead by COB Monday. This is for discussion at tomorrow's risk management meeting. Would like to close this out in a week or so and figure out the way ahead.

The plan should be for you and the board to report out to me with your findings.

Thanks much

Joel

<PastedGraphic-3.pdf>

Joel C. Sercel, PhD

Chief Technology Officer

Momentum

3050 Kenneth St. Santa Clara CA, 95054

(818) 422-0514, joel.sercel@momentus.space

This email and any attachments may contain private, confidential and privileged material for the sole use of the intended recipient. If you are not the intended recipient, please immediately delete this email and any attachments.

Exhibit 6

To: 'Alexander Fishkin'[alex@momentus.space]; Philip Hover-Smoot[philip.hover-smoot@momentus.space]
From: Wolf, Kevin[kwolf@akingump.com]
Sent on behalf of: Wolf, Kevin <kwolf@akingump.com>
Sent: Thur 11/12/2020 4:10:28 PM Pacific Standard Time
Subject: RE: Intent to Deny Notification from Commerce

Redacted – Privileged Content

From: Alexander Fishkin <alex@momentus.space>
Sent: Thursday, November 12, 2020 6:43 PM
To: Wolf, Kevin <kwolf@akingump.com>; Philip Hover-Smoot <philip.hover-smoot@momentus.space>
Subject: Intent to Deny Notification from Commerce

****EXTERNAL Email****

Philip, Kevin -

Redacted – Privileged Content

November 12, 2020

Philip Hover-Smoot
Momentus, Inc.
3500 South DuPont Highway
Dover, DE 19901

Application Control No: Z1638210

Dear Mr. Hover-Smoot,

In accordance with Section 1756(a)(2) of the Export Control Reform Act of 2018 (ECRA) and Section 750.6(a) of the Export Administration Regulations (EAR), the Department of Commerce is informing you of the intent to deny the application referenced above. The Department of Commerce believes that denial of this application furthers the United States policy in Section 1752(1)(A) of the ECRA, to restrict the export of goods and technology which would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States.

After reviewing your application for deemed export of Vigoride software and technology to Mr. Mikhail Kokorich, the Department of Commerce, in consultation with the Department of Defense, the Department of State, and the Department of Energy, has concluded the end user is not an acceptable recipient at this time of U.S.-origin items per Section 742.4(b)(7) of the EAR.

We will withhold further action on this application for 20 calendar days from the date of this letter. Section 750.6(b) of the EAR allows you to respond to the decision before the license application is denied. Your application will be held, and processing suspended, pending receipt of any comments or rebuttals you may wish to make. Should you wish to respond to this letter, your response should be submitted as a response to this ITD notice in SNAP-R and addressed to: Michael Rithmire, Director, Sensors and Aviation Division, Office of National Security and Technology Transfer Controls, Bureau of Industry and Security, Washington, DC 20044. If you have questions regarding this denial decision, please contact Michael Tu at (202) 482-6462.

If you do not respond to this decision within 20 calendar days from the date of this letter, the license application will be denied. If you do respond, the Bureau of Industry and Security will advise you if, as a result of your response, the decision to deny has been changed or is under reconsideration. You may also request an immediate denial before the end of the 20 days.

Unless you are so advised by the 45th day after the date of this notification, the denial will become final without further notice. You will then have 45 days from the date of final denial to exercise your right to appeal under Section 756.2(b) of the EAR.

Sincerely,

Michael Rithmire
Director, Sensors and Aviation Division
Office of National Security and Technology Transfer Controls



Alexander Fishkin

Chief Business Affairs & Legal Officer

(650) 468 8174 | momentus.space

Registered In-House Counsel (CA)

Licensed only in Illinois

This email and any attachments may contain private, confidential, and privileged material for the sole use of the intended recipient. This email and any attachments may also contain export controlled technology or technical data subject to the Export Administration Regulations or the International Traffic in Arms Regulations. If you are not the intended recipient, or are otherwise unauthorized to receive export controlled material, please immediately delete this email and any attachments and notify the sender.

The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

Exhibit 7



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

Acting Chairman Elad Roisman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

January 13, 2021

Dear Acting Chairman Roisman:

My office is aware that Stable Road Acquisition Corp. (Nasdaq: SRAC) entered into an Agreement and Plan of Merger with Momentus Inc. (Momentus) to create an Initial Public Offering (IPO) for Momentus (Nasdaq: MNTS). The Department of Defense (DoD) has concluded that Momentus presently poses a risk to national security and accordingly has requested appropriate governmental agencies conduct national security reviews. These risks stem from Momentus' foreign ownership, financial relationships, and business activities discussed in greater detail below. Until these reviews have been conducted and the national security risks effectively mitigated to the satisfaction of DoD, my office will continue to recommend that DoD places an indefinite hold on all Momentus' relationships with DoD. This will include, where appropriate, DoD contractors and service providers.

DoD has also closely reviewed the disclosure documents filed with the U.S. Securities and Exchange Commission (SEC) and assesses they contain potential material misrepresentations, misleading statements, or omissions made by SRAC regarding Momentus. These misstatements may negatively impact investors unless a fulsome disclosure of the below risks are properly and fully disclosed to the SEC.

National Security Concerns:

- In April 2012, Mikhail Kokorich, a Russian national and U.S. asylum seeker, founded Dauria Aerospace in Munich, Germany.¹ Dauria had an office in Skolkovo, Russia as well as a U.S.-based subsidiary in Mountain View, California. According to publicly available financial information and news outlets, Dauria was financially backed by Russian and Chinese investors.² In April 2014, the Federal Bureau of Investigation (FBI) released a statement that the Skolkovo Foundation "may be a means for the Russian government to access our nation's sensitive or classified research."³ The announcement of the Chinese investment was made by Dauria partner, the Skolkovo Foundation.^{4,5}

¹ <https://spacenews.com/39609spotlight-dauria-aerospace/>

² <https://newspaceglobal.com/dauria-aerospace-receives-70m-chinese-investment-fund/>

³ <https://www.bizjournals.com/boston/blog/startups/2014/04/fbis-boston-office-warns-businesses-of-venture.html>

⁴ <http://www.parabolicarc.com/tag/dauria-aerospace/>

⁵ https://room.eu.com/article/Skolkovo_and_a_new_breed_of_Russian_space_startups

These foreign financial relationships and business activities warrant national security reviews by DoD and other appropriate government agencies. As discussed in more detail below, DoD interprets the information provided in the SEC Form S-4 filed by SRAC on November 22, 2020, as containing omissions of material facts that should be disclosed to the SEC.

- On November 2, 2020, SRAC filed an S-4 regarding Momentus with the SEC.⁶ On page 210 of this filing, SRAC stated “Momentus issued a convertible promissory note to Nortrone Finance S.A. (“Nortrone”) in exchange for \$200,000. Nortrone Finance S.A. is owned by Mikhail Kokorich and his wife [Luidmila Kokorich].” In contrast to this benign description of financing by Nortrone, Nortrone was identified in the Panama Papers as being a financial intermediary between the bearer of the shares and Capita Fiduciary.⁷ Capita Fiduciary, in turn, is reportedly based in Luxembourg, and reportedly registered in Jersey, UK.⁸ This same document listed BrainySpace LLC as an investor and stated it is owned by Olga Khasis, wife of Lev Khasis. Lev Khasis is the First Deputy Chairman of Russia’s state-owned bank, Sberbank.¹¹ Sberbank is on the Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons list; commonly referred to as the “Sanctions List.”

This complex and opaque foreign ownership structure thus may not accurately reflect the ultimate beneficial owner of Momentus nor the true identity of financiers of Momentus. Moreover, conducting business with or having financial relationships with sanctioned individuals or entities can result in significant legal or administrative actions that are adverse to the stated business operations of Momentus. These financial relationships and Momentus’ opaque foreign ownership structure warrant national security reviews by DoD and other appropriate government agencies. DoD interprets the information provided in the S-4 as an omission of a material fact that should be disclosed to the SEC.

Disclosure Documents:

- The November 2, 2020, S-4 addresses forward-looking statements including “the ability to attract or maintain a qualified workforce with the required security clearances and requisite skills.” This disclosure does not adequately address the possibility of a revocation of security clearances for all employees, contractors, or executives should that be determined following the national security review process. DoD interprets the information provided in the S-4 as misleading because it does not capture the full extent of possible outcomes following a national security review.

⁶ https://www.sec.gov/Archives/edgar/data/1781162/000121390020034368/fs42020_stableroadacq.htm

⁷ <https://offshoreleaks.icij.org/nodes/10174666>

⁸ <https://panama.data2www.com/e/10174666>

⁹ <https://offshoreleaks.icij.org/nodes/11003262>

¹⁰ <http://independentdirectors.net/jersey/capita-fiduciary-group-ltd/>

¹¹ <https://www.wsj.com/market-data/quotes/AKSJF/company-people/executive-profile/2504355>

- The November 2, 2020, S-4 states that Mikhail Kokorich “is seeking asylum” and that if his application is not granted that it will make it difficult for “him to perform his duties as Chief Executive Officer.” DoD interprets this statement as misleading because even if Mikhail Kokorich is granted asylum, he would not immediately become a U.S. Citizen. Non-U.S. citizens do not automatically qualify for a security clearance.¹² Therefore, the CEO of Momentus would not be able to access any sensitive information or facilities without violating DoD mandates and administrative laws and regulations. This includes DoD contractors and suppliers such as Lockheed Martin and Space-X, two DoD contractors listed in the “Momentus Investor Presentation December 2020.” Furthermore, DoD understands that many of Momentus’ relevant patents are held by Mikhail Kokorich. DoD is currently reviewing these patents to assess whether these patents cover inventions that serve in critical roles within the DoD space enterprise. If these patents or their applications are sensitive by nature, this may jeopardize future launches or demonstrations by Momentus should Mikhail Kokorich’s asylum application not be granted. DoD interprets the description of Mikhail Kokorich’s asylum application and its failure to address any negatively associated outcomes following a determination as misleading.
- The November 2, 2020, S-4 acknowledges that Momentus is subject to U.S. laws regarding “export/import controls, sanctions, technology transfer restrictions, [and] government contracts and procurement” among others. The disclosure goes on to state “[f]ailure by us, our employees, affiliates, partners or others with whom we work to comply with applicable laws and regulations could result in administrative, civil, commercial or criminal liabilities, including suspension or debarment from government contracts or suspension of our export/import privileges.” DoD is currently reviewing a 2019 federal investigation to determine if Mikhail Kokorich violated export control laws while serving as both an investor and executive in several satellite companies.¹³ DoD believes that Momentus accurately states the legal ramifications of violating the law, but fails to effectively disclose that its CEO, Mikhail Kokorich, has been investigated for these same violations and that DoD is currently reviewing them following discovery of the cited article. DoD interprets the failure to disclose Kokorich’s past investigation, or its subsequent review, as a material omission of risks posed to investors.

These above facts have led DoD to concluded that Momentus’ current proposal poses a risk to investors. DoD requests that because of outstanding national security concerns the SEC delay the IPO of Momentus in order to provide DoD and other government agencies the appropriate time to conduct further due diligence.


Andrew Pahutski
Director, Office of Foreign Investment Review

¹² <https://www.dcsa.mil/mc/ctp/int/security/>

¹³ <https://news.yahoo.com/ceo-1-2-billion-space-110051362.html>

Exhibit 8

1 Robert V. Prongay (SBN 270796)

2 rprongay@glancylaw.com

3 Casey E. Sadler (SBN 274241)

4 csadler@glancylaw.com

5 Charles Linehan (SBN 307439)

6 clinehan@glancylaw.com

7 Garth Spencer (SBN 335424)

8 gspencer@glancylaw.com

9 GLANCY PRONGAY & MURRAY LLP

10 1925 Century Park East, Suite 2100

11 Los Angeles, California 90067

12 Telephone: (310) 201-9150

13 Facsimile: (310) 201-9160

14 Counsel for Lead Plaintiff [Hartmut Haenisch](#)

15 [Additional counsel on signature page]

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

18 IN RE STABLE ROAD
19 ACQUISITION CORP. SECURITIES
20 LITIGATION

21 Master File No.
22 2:21-CV-5744-JFW(SHKx)

23 CLASS ACTION

24 AMENDED CONSOLIDATED
25 CLASS ACTION COMPLAINT
26 FOR VIOLATIONS OF THE
27 FEDERAL SECURITIES LAWS

28 DEMAND FOR JURY TRIAL

Deleted: ROBBINS GELLER RUDMAN
& DOWD LLP
DAVID C. WALTON (167268)
BRIAN

Deleted: COCHRAN (286202)

Deleted: 655 West Broadway

Deleted: 1900

Deleted: San Diego, CA 92101

Deleted: 619/231-1058

Deleted: 619/231-7423 (fax)

Deleted: davew@rgrdlaw.com

Deleted: bcochran@rgrdlaw.com

Deleted: -and -

Deleted: SAMUEL H. RUDMAN 58 South Service Road, Suite 200 Melville,

Deleted: NY 11747 Telephone: 631/367-7100 631/367-1173 (fax)

Deleted: srudman@rgrdlaw.com

Deleted: Attorneys

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: Font: Italic

Deleted: appear

Deleted:]

Formatted: _ Court Name

TABLE OF CONTENTS

1

2 **I. NATURE OF THE ACTION AND OVERVIEW** 1

3 **II. JURISDICTION AND VENUE** 4

4 **III. PARTIES** 5

5 **IV. BACKGROUND REGARDING SRAC AND MOMENTUS**..... 7

6 **A. Special Purpose Acquisition Companies And Their Inherent**

7 **Conflicts Of Interest** 7

8 **B. Background Of SRAC: A SPAC Focused On The Cannabis**

9 **Industry** 10

10 **C. SRAC’s Management Faced Pressure To Complete A Qualifying**

11 **Business Combination By The May 13, 2021 Deadline**..... 13

12 **D. Background Of Momentus: A Space Industry Startup With No**

13 **Revenue** 17

14 **E. Momentus’s Need For Cash Gave Its Management An Incentive**

15 **To Conceal Problems That Might Prevent A Merger With SRAC** 18

16 **V. UNDISCLOSED ADVERSE FACTS KNOWN TO DEFENDANTS**

17 **DURING THE CLASS PERIOD** 19

18 **A. The U.S. Government Determined That Momentus’s Russian**

19 **CEO Was A National Security Risk**..... 19

20 **B. Momentus’s Only Test Of Its Technology In Space Was A**

21 **Failure**..... 25

22 **C. Momentus’s Wildly Excessive Revenue Projections Ignored Its**

23 **National Security Risks And Unproven Technology** 28

24 **D. SRAC Failed To Conduct Adequate Due Diligence** 29

25 **VI. DEFENDANTS MISLED INVESTORS TO GAIN SUPPORT FOR**

26 **THE MERGER** 32

27 **A. Defendants Announce The Merger Agreement And Misleadingly**

28 **Hype Momentus’s Prospects** 32

1 B. Defendants Aggressively And Misleadingly Promoted The
2 Proposed Merger Following Its Announcement.....34

3 VII. THE TRUTH EMERGES, CAUSING SRAC’S STOCK PRICE TO
4 PLUMMET36

5 A. January 4, 2021 Disclosures Regarding Launch Delay37

6 B. January 25, 2021 Disclosures Regarding Kokorich’s Resignation38

7 C. March 8, 2021 Disclosures Regarding Governmental
8 Investigations.....39

9 D. May 4, 2021 Disclosures Regarding Loss Of Customers.....41

10 E. May 24, 2021 Disclosures Regarding Further Launch Delays.....42

11 F. June 29, 2021 Disclosures Regarding Failed Technology Test
12 And National Security Issues.....43

13 G. July 13, 2021 Publication Of The SEC Order And SEC
14 Complaint48

15 VIII. DEFENDANTS MADE MATERIALLY FALSE AND MISLEADING
16 STATEMENTS.....50

17 A. Misleading Pre-Class Period Public Statements.....50

18 B. October 7, 2020 Merger Agreement Announcement52

19 C. October 13, 2020 Updated Investor Presentation.....59

20 D. November 2, 2020 Registration Statement.....59

21 E. November 17, 2020 Analyst Day Presentation.....67

22 F. December 14, 2020 Amended Registration Statement And
23 Updated Investor Presentation.....67

24 G. January 4-5, 2021 Press Release And Interviews.....69

25 H. January 25, 2021 Press Release74

26 I. March 8, 2021 Amended Registration Statement.....75

27

28

Formatted: Header

Formatted: _Pld Footer Adjustment

1 J. April 7, 2021 Preliminary Proxy Statement And Updated
2 Investor Presentation 77

3 K. May 4-5, 2021 Updated Investor Presentation 80

4 L. June 29, 2021 Amended Registration Statement..... 82

5 IX. ADDITIONAL SCIENTER ALLEGATIONS..... 82

6 A. SRAC And The SRAC Individual Defendants Knew Or
7 Recklessly Disregarded The Falsity Of Their Statements 83

8 B. Momentus And The Momentus Individual Defendants Knew Or
9 Recklessly Disregarded The Falsity Of Their Statements 86

10 X. LOSS CAUSATION..... 91

11 XI. CLASS ACTION ALLEGATIONS 91

12 XII. APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-
13 ON-THE-MARKET DOCTRINE)..... 93

14 XIII. NO SAFE HARBOR 95

15 XIV. CAUSES OF ACTION..... 96

16 XV. PRAYER FOR RELIEF 103

17 XVI. JURY TRIAL DEMANDED 103

18

19

20

21

22

23

24

25

26

27

28

Formatted: Header

Formatted: _Pld Footer Adjustment

EXHIBIT LIST

- 1
- 2 Exhibit 1 – Securities and Exchange Commission Order Instituting Cease-And-
- 3 Desist Proceedings In the Matter of Momentus, Inc. (July 13, 2021)
- 4 (the “SEC Order”)
- 5 Exhibit 2 – Complaint in the matter of *Securities and Exchange Commission v.*
- 6 *Mikhail Kokorich*, Case No. 1:21-cv-1869 (D.D.C. July 13, 2021) (the
- 7 “SEC Complaint”)
- 8 Exhibit 3 – U.S. Department of Commerce, Bureau of Industry and Security,
- 9 Export License Rejection Notice (Mar. 22, 2018), as filed in *SEC v.*
- 10 *Kokorich*.
- 11 Exhibit 4 – Letter from Counsel for Mikhail Kokorich to the U.S. Department of
- 12 Treasury, Committee on Foreign Investment in the United States (June
- 13 24, 2018), as filed in *SEC v. Kokorich*
- 14 Exhibit 5 – Momentus email chain Re: “Need El Camino Real Failure Review
- 15 Board” (Nov. 27, 2019), as filed in *SEC v. Kokorich*
- 16 Exhibit 6 – Momentus email chain Re: “Intent to Deny Notification from
- 17 Commerce” (Nov. 12, 2020), as filed in *SEC v. Kokorich*
- 18 Exhibit 7 – Letter from U.S. Department of Defense, Office of Foreign Investment
- 19 Review to the Securities and Exchange Commission (Jan. 13, 2021), as
- 20 filed in *SEC v. Kokorich*
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Formatted: Header

Moved (insertion) [1]

Formatted: Font: Italic

Deleted: WESTERN DIVISION
KEITH JENSEN, Individually and on Behalf of All Others Similarly Situated,

Formatted: _Pld Footer Adjustment

1 Lead Plaintiff Hartmut Haenisch (“Plaintiff”), individually and on behalf of
2 all others similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon his personal knowledge. Plaintiff’s information and belief is based
5 upon, among other things, his counsel’s investigation, which includes without
6 limitation, review and analysis of: (a) regulatory filings made by Stable Road
7 Acquisition Corp. (“SRAC”) with the United States (“U.S.”) Securities and
8 Exchange Commission (“SEC”); (b) press releases and media reports issued by and
9 disseminated by SRAC and by Momentus Inc. (“Momentus”)¹; (c) an SEC cease
10 and desist order relating to SRAC and Momentus; (d) documents filed in litigation
11 initiated by the SEC relating to SRAC and Momentus; and (e) review of other
12 publicly available information concerning SRAC and Momentus.

13 **I. NATURE OF THE ACTION AND OVERVIEW**

14 1. This is a federal securities class action brought on behalf of persons and
15 entities that purchased or otherwise acquired SRAC securities between October 7,
16 2020 and July 13, 2021, inclusive (the “Class Period”), excluding Defendants,
17 seeking to recover compensable damages caused by Defendants’ violations of the
18 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the
19 Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated
20 thereunder. During the Class Period SRAC’s Class A common stock, public units,

21 ¹ After the end of the Class Period alleged in this Amended Complaint, on or about
22 August 12, 2021, pursuant to a business combination: (i) Stable Road Acquisition
23 Corp. acquired Momentus Inc., (ii) Momentus Inc. merged into a subsidiary of
24 SRAC named Project Marvel Second Merger Sub, LLC, and (iii) SRAC changed its
25 name to Momentus Inc. As used in this Amended Complaint, the terms Momentus
26 Inc. or Momentus refer to the corporation that existed by that name (and previously
27 by the name Space Apprentices Enterprise Inc.) prior to the business combination,
28 and the terms Stable Road Acquisition Corp. or SRAC refer to the corporation
known by that name prior to the business combination and currently known as
Momentus Inc.

Formatted: _2.Osp 0.5"
Deleted: ¶
vs.¶
STABLE ROAD ACQUISITION CORP., MOMENTUS INC., SRC-NI HOLDINGS, LLC, BRIAN KABOT, JAMES NORRIS and MIKHAIL KOKORICH,¶
Defendants.¶
¶
¶
DEMAND FOR JURY TRIAL¶
Case No. 2:21-cv-05744¶
CLASS ACTION¶
COMPLAINT FOR VIOLATIONS OF¶
THE FEDERAL SECURITIES LAWS¶
¶
Formatted: Left: 1.4", Right: 0.5", Top: -1", Bottom: -0.68", Footer distance from edge: 0.2", Different first page header
Deleted: Keith Jensen ("plaintiff")
Deleted: based
Deleted: as to the investigation conducted by plaintiff's counsel, which included, except
Deleted: a
Deleted: of U.S. Securities and Exchange Commission ("SEC")
Deleted: Stable Road" or
Deleted: "Company")
Deleted: securities analyst reports,
Deleted: other public statements
Deleted: , or about, the Company and Momentus Inc. ("Momentus"). Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery...
Deleted: JURISDICTION
Formatted: All caps
Deleted: VENUE
Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt
Deleted: 1. The claims asserted herein arise under §§
Deleted: ").
Formatted: @Normal

1 and public warrants were publicly traded on the Nasdaq Capital Market under the
2 ticker symbols “SRAC,” “SRACU,” and “SRACW,” respectively.

3 2. SRAC, Momentus, and their directors and officers, materially misled
4 investors regarding Momentus’s business and future prospects in an attempt to gain
5 investor support for a proposed merger between SRAC, a special purpose
6 acquisition company (or “SPAC”) focused on the cannabis industry, and Momentus,
7 a privately owned space industry startup with no revenue.

8 3. SRAC had attempted to locate an appropriate cannabis/marijuana
9 related company to acquire as was its stated purpose but they were unable to locate
10 one prior to the May 13, 2021 deadline upon which SRAC would need to repay
11 \$172.5 million to shareholders if no successful merger was consummated. In order
12 to prevent this return of money and to enrich the Defendants, who stood to make
13 tens of millions of dollars from any merger, SRAC rushed to enter into the merger
14 with Momentus (even though Momentus was not in the cannabis industry). To
15 make sure that shareholders approved this last-minute deal, Defendants misleadingly
16 touted the proposed merger and Momentus’s prospects.

17 4. This was confirmed by the SEC itself when on July 13, 2021, the SEC
18 publicly detailed Defendants’ misconduct in: (i) a cease and desist order (the “SEC
19 Order,” attached hereto as Exhibit 1) against Defendants Momentus, SRAC, SRC-
20 NI Holdings LLC (the “Sponsor” of SRAC) and Brian Kabot (SRAC’s CEO); and
21 (ii) a civil complaint (the “SEC Complaint,” attached hereto as Exhibit 2) filed
22 against Defendant Kokorich.² According to the SEC Order and SEC Complaint,
23 Defendants had misleadingly touted the proposed merger and Momentus’s prospects
24 while failing to disclose that (i) multiple federal agencies had determined that
25

26 ² While the SEC is actively litigating its case against Defendant Kokorich, he fled
27 the country following his abrupt resignation in January 2021 amid increasing
28 governmental scrutiny of national security concerns relating to him.

Formatted: Header

Formatted: @Normal

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Momentum’s then-CEO Defendant Kokorich, who is a citizen of Russia with ties to
2 the Russian government and who is not a citizen or legal permanent resident of the
3 United States, posed an unacceptable national security risk, (ii) Momentum had never
4 successfully tested its technology in space as claimed, (iii) as a result, Momentum’s
5 financial projections of immediate, explosive revenue growth were highly
6 misleading, and (iv) SRAC’s superficial due diligence of Momentum failed to
7 provide any reasonable basis for its public statements about the company.
8 Moreover, the SEC Order and Complaint explained that Momentum, SRAC, and
9 Kabot agreed to pay the SEC fines totaling over \$8 million, the Sponsor agreed to
10 give up SRAC stock potentially worth millions of dollars, and Defendants agreed to
11 allow certain investors to cancel agreements to purchase SRAC securities.

12 5. In a July 13, 2021 press release announcing the SEC Order and the
13 SEC Complaint, SEC Chair Gary Gensler specifically confirmed that Defendants
14 “misled the investing public” and that Stable Road had “fail[ed] to undertake
15 adequate due diligence to protect shareholders.” As Gensler explained:

16 This case illustrates risks inherent to SPAC transactions, as those who
17 stand to earn significant profits from a SPAC merger may conduct
18 inadequate due diligence and mislead investors . . . Stable Road, a
19 SPAC, and its merger target, Momentum, both misled the investing
20 public. The fact that Momentum lied to Stable Road does not absolve
21 Stable Road of its failure to undertake adequate due diligence to
22 protect shareholders. Today’s actions will prevent the wrongdoers
from benefitting at the expense of investors and help to better align
the incentives of parties to a SPAC transaction with those of investors
relying on truthful information to make investment decisions.

23 6. Although the SEC’s actions prevented Defendants from causing further
24 harm to investors, these actions came too late for the many investors who had
25 purchased SRAC securities during the October 7, 2020 to July 13, 2021 Class
26 Period. These investors paid excessive prices for SRAC securities, which prices
27 were artificially inflated throughout the Class Period by Defendants’ materially false
28 and misleading statements.

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

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

4 **II. JURISDICTION AND VENUE**

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

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

11 10. Venue is proper in this Judicial District pursuant to 28 U.S.C. §
12 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts
13 in furtherance of the alleged fraud or the effects of the fraud have occurred in this

14 Judicial District. Many of the acts charged herein, including the dissemination of
15 materially false and/or misleading information, occurred in substantial part in this
16 Judicial District. Defendant SRAC maintains its principal executive offices in this

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

22 12. Defendant Kokorich is subject to personal jurisdiction because, among
23 other things, he lived and worked in the United States during the relevant period,
24 purposefully directed his business activities at the United States, and knowingly
25 provided statements for use in materials used to promote securities transactions in
26 the United States and to be used in SEC filings.

27
28
AMENDED COMPLAINT

Formatted: Header

Deleted:)

Deleted: .

Deleted: .

Formatted: 2.0sp 0.5", Indent: left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: under \$

Deleted: .

Deleted: . and 28 U.S.C. §1331, because this is a civil action
arising under the laws of the United States of America.)

Deleted: 2.

Deleted: under \$

Deleted: .

Deleted: . and 28 U.S.C. §1391 (b)-(d). The Company maintains its
principal executive offices in this District, and many (c)). Substantial

Deleted: District.

Deleted: 3.

Deleted: in this complaint, defendants (defined below)

Deleted: or

Deleted: .

Deleted: without limitation,

Deleted: U.S.

Deleted: and other electronic

Deleted: the Nasdaq Capital Market ("Nasdaq").

Deleted: NATURE OF THE ACTION
4. This is a federal securities class action brought on behalf of all
purchasers of Stable Road securities (the "Class") between October
7, 2020 and July 13, 2021, inclusive (the "Class Period"), seeking to
pursue remedies under the Exchange Act.

Formatted: _pid Footer Adjustment

1 **III. PARTIES**

2 13. Lead Plaintiff Hartmut Haenisch, as set forth in the previously filed
3 certification (Dkt No. 46-2), incorporated by reference herein, purchased SRAC
4 securities during the Class Period, and suffered damages as a result of the federal
5 securities law violations and false and/or misleading statements and/or material
6 omissions alleged herein.

7 14. Defendant Stable Road Acquisition Corp. ("SRAC") was a special
8 purpose acquisition company, during the Class Period. SRAC was incorporated in
9 Delaware. During the Class Period SRAC maintained its principal executive offices
10 at 1345 Abbot Kinney Blvd. Venice, California, 90291. During the Class Period,
11 SRAC Class A common stock, warrants and units traded on the Nasdaq Capital
12 Market under the symbols "SRAC," "SRACW" and "SRACU," respectively.

13 15. Defendant SRC-NI Holdings, LLC ("Sponsor") served as the sponsor
14 of SRAC during the Class Period. The Sponsor was formed in Delaware as a limited
15 liability company. During the Class Period, the Sponsor's principal place of
16 business was 1345 Abbot Kinney Blvd., Venice, California 90291.

17 16. Defendant Brian Kabot served as Chief Executive Officer and
18 Chairman of the board of directors of SRAC during the Class Period. During the
19 Class Period Kabot was a manager of the Sponsor, shared voting and dispositive
20 control over securities owned by the Sponsor, and was reported as beneficially
21 owning securities owned by the Sponsor. During the Class Period Kabot's business
22 address was c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice,
23 California 90291.

24 17. Defendant Juan Manuel Quiroga served as Chief Investment Officer
25 and Secretary of SRAC during the Class Period. During the Class Period Quiroga
26 was a manager of the Sponsor, shared voting and dispositive control over securities
27 owned by the Sponsor, and was reported as beneficially owning securities owned by
28

Formatted: Header

Formatted: All caps

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Deleted: 5.

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: Keith Jensen

Deleted: accompanying

Deleted: Stable Road

Deleted: has been damaged thereby

Deleted: 6.

Deleted: is

Deleted: , or "SPAC." The Company maintains

Deleted: in

Deleted: Beach

Deleted: Stable Road

Deleted: trade

Deleted: 7.

Formatted: _Pld Footer Adjustment

1 the Sponsor. During the Class Period Quiroga’s business address was c/o Stable
2 Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice, California 90291.

3 18. Defendant James Norris served as Chief Financial Officer and a
4 director of SRAC during the Class Period. During the Class Period Norris was
5 directly or indirectly a member of the Sponsor. During the Class Period Norris’s
6 business address was c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd.
7 Venice, California 90291.

8 19. Defendant James Hofmockel served as a director of SRAC during the
9 Class Period. During the Class Period Hofmockel was directly or indirectly a
10 member of the Sponsor. During the Class Period Hofmockel’s business address was
11 c/o Stable Road Acquisition Corp., 1345 Abbot Kinney Blvd. Venice, California
12 90291.

13 20. Defendant Momentus, Inc. was a privately owned space industry
14 startup that was an acquisition target of SRAC during the Class Period. Momentus
15 was incorporated in Delaware. During the Class Period Momentus’s principal
16 executive offices were located at 3050 Kenneth St., Santa Clara, California 95054.

17 21. Defendant Mikhail Kokorich served as Chief Executive Officer and a
18 director of Momentus during the Class Period, until his resignation effective
19 immediately on or about January 25, 2021. During the Class Period Kokorich was a
20 major shareholder of Momentus until he sold his shares to Momentus on or about
21 June 8, 2021. During the Class Period Kokorich’s business address, through at least
22 the time of his resignation, was c/o Momentus Inc., 3050 Kenneth Street, Santa
23 Clara, CA 95054.

24 22. Defendant Dawn Harms served as Chief Revenue Officer of Momentus
25 during the Class Period, until Kokorich’s resignation effective immediately on or
26 about January 25, 2021, at which time Harms became interim CEO and a director of
27 Momentus. During the Class Period Harms’s business address was c/o Momentus
28 Inc., 3050 Kenneth Street, Santa Clara, CA 95054.

AMENDED COMPLAINT

Formatted: Header

Deleted: was

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: Stable Road

Deleted: It is a private commercial space company headquartered

Deleted: 8. Defendant SRC-NI Holdings, LLC ("Sponsor") served
as the SPAC Sponsor of Stable Road during the Class Period.
9. Defendant Brian Kabot ("Kabot") served as Chief Executive
Officer ("CEO") and Chairman of Stable Road during the Class
Period.
10. Defendant James Norris ("Norris") served as Chief Financial
Officer ("CFO") of Stable Road during the Class Period.
11.

Deleted: ("Kokorich") founded and

Deleted: CEO

Deleted: in January 2021

Deleted: 12. Defendants Kabot, Norris and

Formatted: _Pld Footer Adjustment

Formatted: Header

1 23. Defendant Fred Kennedy served as President of Momentus during the
2 Class Period. During the Class Period Kennedy’s business address was c/o
3 Momentus Inc., 3050 Kenneth Street, Santa Clara, CA 95054.

4 24. Defendants Kabot, Quiroga, Norris, and Hofmockel are referred to
5 herein as the “SRAC Individual Defendants.”

6 25. Defendants Kokorich, Harms, and Kennedy are referred to herein as the
7 “Momentus Individual Defendants.”

8 26. The SRAC Individual Defendants and the Momentus Individual
9 Defendants are referred to herein as the Individual Defendants.

10 **IV. BACKGROUND REGARDING SRAC AND MOMENTUS**

11 **A. Special Purpose Acquisition Companies And Their Inherent**
12 **Conflicts Of Interest**

13 27. Special purpose acquisition companies, or SPACs, are publicly traded
14 companies with no business activities, formed specifically to acquire an existing
15 operating company. SPACs typically raise capital for the acquisition through an
16 initial public offering (“IPO”), and that capital is held in trust for a specific period of
17 time.

18 28. If a merger or acquisition is successfully made within the allocated time
19 frame, founders and managers of the SPAC can profit through their ownership of the
20 SPAC’s securities (typically about 20% of the SPAC’s stock, in addition to warrants
21 to purchase additional shares). However, if an acquisition is not completed within
22 that time frame, then the SPAC is dissolved and the money held in trust is returned
23 to investors, with no compensation paid to the founders and managers of the SPAC,
24 whose SPAC securities expire worthless. Accordingly, the founders and
25 management team of a SPAC are highly incentivized to complete an acquisition
26 within their deadline, even if the benefits of that transaction for the public
27 shareholders of the SPAC are dubious.

Formatted: _Pld Footer Adjustment

1 29. The process of an acquisition target company merging with a publicly
2 traded SPAC is in many respects similar to a traditional IPO, in that a previously
3 private company becomes publicly traded. However, SPAC transactions and IPOs
4 have certain key differences. In a traditional IPO banks underwrite the offering and
5 perform substantial due diligence in order to evaluate the company going public, to
6 formulate appropriate disclosures to prospective investors, and to accurately price its
7 securities. However, in a SPAC transaction there are no underwriters, and so the
8 amount of due diligence performed, and the disclosures surrounding this due
9 diligence, are solely determined by the SPAC and its controlling persons, who have
10 strong incentives to agree to, and gain shareholder approval for, an acquisition
11 regardless of its true merits.

12 30. Typically, common stockholders of a SPAC are granted voting rights to
13 approve or reject the business combination proposed by the management team.
14 Thus, when the management team identifies a target, a merger proxy statement must
15 be distributed to all SPAC stockholders, which includes the target company’s
16 financial statements and the terms of the proposed business combination. Public
17 stockholders in SPACs rely on management of the SPAC and the target company to
18 honestly provide accurate information about any contemplated transactions.

19 31. Amidst a recent boom in SPAC IPOs and acquisitions, SEC officials
20 have noted widespread concerns including “risks from fees, conflicts, and sponsor
21 compensation, . . . and the potential for retail participation drawn by baseless hype.”
22 and additional concerns regarding whether SPAC sponsors have “sufficient
23 incentives to do appropriate due diligence on the target and its disclosures to public
24 investors, especially since SPACs are designed not to include a conventional
25 underwriter.”³

26
27 ³ John Coates, Acting Director, SEC Division of Corporation Finance, Apr. 8, 2021,
28 SPACs, IPOs and Liability Risk under the Securities Laws, *available at*
(footnote continued)

Formatted: Header

Formatted: @Normal

Formatted: @Normal

Formatted: _Pld Footer Adjustment

8

1 32. Similarly, SEC Chair Gary Gensler recently testified to Congress, “the
2 surge of SPACs raises a number of policy questions. First and foremost, are SPAC
3 investors being appropriately protected? Are retail investors getting the appropriate
4 and accurate information they need . . . ?”⁴

5 33. Numerous other commentators have similarly noted the conflict of
6 interest between SPAC management and shareholders with respect to the
7 completion of a business combination. For example, in a paper forthcoming in the
8 Yale Journal on Regulation, law professors at Stanford and New York University
9 address “misaligned incentives inherent in the SPAC structure,” including that “the
10 sponsor has an incentive to enter into a losing deal for SPAC investors if its
11 alternative is to liquidate.”⁵ Based on empirical research of post-merger returns to
12 SPAC shareholders, that paper goes on to conclude that “SPAC sponsors have
13 proposed losing propositions to their shareholders, which is one of the concerns
14 raised by the incentives built into the SPAC structure. . . . [S]ponsors do quite well,
15 even where SPAC shareholders have experienced substantial losses.”

16 34. As noted by SEC Chair Gensler in his July 13, 2021 comments
17 accompanying the announcement of the SEC Order and the SEC Complaint against
18 Defendants, “[t]his case illustrates risks inherent to SPAC transactions, as those who
19 stand to earn significant profits from a SPAC merger may conduct inadequate due
20 diligence and mislead investors.” As set forth herein, SRAC and Momentus

21 <https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under->
22 [securities-laws.](https://www.sec.gov/news/public-statement/spacs-ipos-liability-risk-under-)

23 ⁴ Gary Gensler, May 26, 2021, Testimony Before the Subcommittee on Financial
24 Services and General Government, U.S. House Appropriations Committee,
25 available at <https://www.sec.gov/news/testimony/gensler-2021-05-26>.

26 ⁵ Klausner, Michael D. and Ohlrogge, Michael and Ruan, Emily, A Sober Look at
27 SPACs (Oct. 28, 2020) Yale Journal on Regulation, Forthcoming, Available at:
28 <https://ssrn.com/abstract=3720919>.

Formatted: Header

Deleted: _____

Formatted: @Normal

Formatted: _Pld Footer Adjustment

Formatted: Header

1 exemplify SPAC conflicts of interest because the Defendants were incentivized to,
2 and did, aggressively promote a proposed business combination between SRAC and
3 Momentum based on materially false and incomplete information that understated the
4 risks to Momentum’s business, overstated Momentum’s future prospects, and resulted
5 in a grossly excessive proposed valuation of Momentum, all of which artificially
6 inflated the prices of SRAC securities during the Class Period.

7 **B. Background Of SRAC: A SPAC Focused On The Cannabis**
8 **Industry**

9 35. During the Class Period, SRAC was a special-purpose acquisition
10 company, which was incorporated on May 28, 2019 for the purpose of effecting a
11 merger, capital stock exchange, asset acquisition, stock purchase, reorganization or
12 similar business combination with one or more businesses. SRAC operated from an
13 office in Venice, California.

14 36. SRAC filed its IPO prospectus (the “IPO Prospectus”), used to market
15 its shares to investors, with the SEC on November 8, 2019. On or about November
16 13, 2019, SRAC completed its IPO, selling 17,250,000 units at \$10.00 per unit and
17 generating gross proceeds of \$172.5 million. Simultaneously with the
18 consummation of the IPO, the Sponsor, which was SRAC’s sponsor and an affiliate
19 of certain of SRAC’s officers and directors, participated in a private placement of a
20 total 545,000 private placement units for \$10.00 per unit, generating additional gross
21 proceeds of \$5.45 million. The IPO and concurrent private placement resulted in net
22 proceeds of \$172.5 million placed in SRAC’s trust account. Following its IPO,
23 SRAC’s public units, Class A common stock and public warrants were publicly
24 traded on the Nasdaq Capital Market under the ticker symbols “SRACU,” “SRAC”
25 and “SRACW,” respectively.

26 37. During the IPO and afterwards, the directors and officers of SRAC,
27 who also controlled the Sponsor, held themselves out to investors as highly
28 experienced businesspeople, with successful track records in acquiring and growing

Formatted: _Pld Footer Adjustment

1 businesses. In particular, the directors and officers of SRAC held themselves out to
2 investors as highly experienced in the cannabis industry, which they repeatedly
3 stated would be SRAC’s focus for completing an acquisition.

4 38. From SRAC’s IPO and throughout the Class Period, SRAC had only
5 three officers: Defendants Kabot, Norris, and Chief Investment Officer Quiroga.
6 Apart from these three officers, SRAC had no employees.

7 39. At the time of its IPO SRAC had five directors: Defendant Kabot
8 (Chairman), Defendant Norris, Defendant Hofmockel, March Lehmann, and Kellen
9 O’Keefe. On December 23, 2019 Ann Kono joined SRAC’s board. SRAC’s board
10 consisted of these six members throughout the Class Period, apart from the
11 resignation of O’Keefe effective immediately on March 24, 2021.

12 40. SRAC was led by Defendant Kabot, who served as SRAC’s CEO and
13 Chairman since its inception. In the IPO Prospectus, SRAC repeatedly touted
14 Kabot’s investment experience, and in particular his investment experience in the
15 cannabis industry. For example, SRAC stated “Mr. Kabot is well qualified to serve
16 as a director due to his extensive investing and advisory experience in the cannabis
17 industry.”

18 41. SRAC similarly touted the cannabis industry experience of directors
19 O’Keefe and Lehmann, stating in the IPO Prospectus that “Mr. Lehmann is well
20 qualified to serve as a director due to his extensive investing and advisory
21 experience in the cannabis industry,” and describing Lehmann’s roles as an officer
22 in two cannabis industry companies.

23 42. SRAC also touted the investment experience of Defendants CFO
24 Norris, Chief Investment Officer Quiroga, and director Hofmockel. SRAC stated in
25 the IPO Prospectus that “ Mr. Norris is well qualified to serve as a director due to
26 his extensive investment management experience.” and similarly stated that “Mr.
27 Hofmockel is well qualified to serve as a director due to his extensive investing and
28 advisory experience.” SRAC touted Defendant Quiroga’s “over 20 years of

Formatted: Header

1 experience in the financial sector.” After Kono joined the board, SRAC told
2 investors that “Ms. Kono is well qualified to serve as a director due to her extensive
3 advisory experience.”

4 43. The IPO Prospectus did not disclose, for any of its directors or officers,
5 any experience with satellites, the space industry, engineering, national security
6 regulations, or any related matters. SRAC’s directors and officers had no
7 meaningful experience in these subjects.

8 44. In its IPO Prospectus, SRAC repeatedly emphasized that its business
9 strategy and source of competitive advantage would be a focus on the cannabis
10 industry. For example SRAC stated, “[o]ur strategy is to pursue one or more
11 business combinations with companies servicing and operating adjacent or ancillary
12 to, the cannabis sector but which are not directly involved in the production,
13 distribution and sale of cannabis (i.e. businesses that ‘touch the plant’).” SRAC
14 likewise stated, “[w]hile we may pursue an initial business combination target in
15 any business or industry, we intend to focus our search on companies in the
16 cannabis industry.”

17 45. SRAC assured investors that it believed its management team “is well
18 positioned to identify and evaluate businesses within the cannabis sector that would
19 benefit from their skills and access to the public markets,” and that its management
20 team offers “a deep network of contacts, in the cannabis sector.” SRAC further
21 stated that “Mr. Kabot and Mr. Quiroga have, in the aggregate, executed over 20
22 transactions within or ancillary to the cannabis sector and have been responsible for
23 investing over \$150 million within or ancillary to the cannabis sector since July
24 2017.”

25 46. The IPO Prospectus mentions “cannabis” 281 times, but contains no
26 references to satellites, the space industry, engineering, national security
27 regulations, or any related matters.

28

Formatted: _Pld Footer Adjustment

Formatted: Header

1 47. SRAC’s intense focus on the cannabis industry continued beyond its
2 IPO. For example, in its SEC Form 10-K annual report filed March 26, 2020, SRAC
3 repeated many of its IPO Prospectus statements regarding the cannabis experience
4 of its management and its focus on the cannabis industry. For example, SRAC
5 stated, “[o]ur strategy is to pursue one or more business combinations with
6 companies servicing and operating adjacent or ancillary to, the cannabis sector but
7 which are not directly involved in the production, distribution and sale of cannabis
8 (i.e. businesses that ‘touch the plant’).” SRAC’s SEC Form 10-Q quarterly report
9 filed August 11, 2020 likewise repeated that “[a]lthough the Company is not limited
10 to a particular industry or sector for purposes of consummating a Business
11 Combination, the Company is focusing its search on companies in the cannabis
12 industry.”

13 48. SRAC’s other SEC filings subsequent to the IPO and prior to its
14 October 7, 2020 announcement of the Momentus merger agreement similarly
15 contain numerous references to cannabis, but no references to satellites, the space
16 industry, engineering, national security regulations, or any related matters.

17 **C. SRAC’s Management Faced Pressure To Complete A Qualifying**
18 **Business Combination By The May 13, 2021 Deadline**

19 49. Due to the SRAC Individual Defendants’ ownership interests in SRAC
20 and the terms and financial structure of SRAC as a SPAC, the SRAC Individual
21 Defendants possessed strong financial incentives to complete a qualifying
22 transaction by the May 13, 2021 deadline. As that deadline grew nearer, the SRAC
23 Individual Defendants faced increasing pressure to complete a transaction
24 irrespective of the merits of that transaction for SRAC’s public shareholders.

25 50. SRAC was subject to certain restrictions in its amended and restated
26 certificate of incorporation regarding its pursuit of an acquisition. First, SRAC only
27 had 18 months to complete a business combination from the closing date of the IPO.
28 If SRAC did not complete a business combination in time (i.e., by May 13, 2021) or

Formatted: _Pld Footer Adjustment

1 obtain postponement of this deadline, its corporate existence would cease, except for
2 purposes of winding up its affairs and liquidating. SRAC was required to hold the
3 approximately \$172.5 million of net proceeds from its IPO in a trust account, and
4 these funds were to be released only upon the consummation of a qualifying
5 business combination, or in the case of liquidation to return the funds to SRAC's
6 investors.

7 51. Second, if SRAC's stockholders approved an amendment to the
8 amended and restated certificate of incorporation that would affect the substance or
9 timing of SRAC's obligation to redeem 100% of the public shares if SRAC did not
10 complete a business combination on time, SRAC was required to provide the
11 holders of its public shares with the opportunity to redeem all or a portion of their
12 public shares upon approval of any such amendment. Attempting to obtain such a
13 postponement of its deadline for a business combination thus presented serious risks
14 that (i) shareholders would not approve the postponement and so SRAC would be
15 forced to liquidate if it failed to complete a transaction on time, or (ii) if a
16 postponement was approved, shareholders may decide to redeem SRAC shares in
17 amounts that would significantly deplete SRAC's \$172.5 million trust account and
18 jeopardize its ability to complete a transaction even with an extended deadline.

19 52. The directors and officers of SRAC acquired a significant financial
20 interest in SRAC prior to the IPO, through their interests in and control over
21 SRAC's Sponsor. Each of SRAC's officers and directors was, directly or indirectly,
22 a member of the Sponsor. The Sponsor's board of managers was comprised of
23 Edward K. Freedman, Defendant Kabot and Defendant Quiroga. SRAC reported
24 each of Freedman, Kabot, and Quiroga as beneficially owning the securities owned
25 by the Sponsor, and reported that these individuals shared voting and dispositive
26 control over such securities.

27 53. In June 2019 the directors and officers of SRAC caused SRAC to issue
28 the Sponsor 4,312,500 "founder shares" of SRAC Class B common stock for an

Formatted: Header

1 aggregate purchase price of \$25,000 in cash, or approximately \$0.006 per share.
2 These founder shares, purchased at a nominal price, were planned to represent
3 approximately 20% of the outstanding shares upon completion of SRAC's IPO. The
4 founder shares were identical to SRAC's publicly offered shares except for certain
5 key features, including that the founder shares would have no redemption rights and
6 would not participate in a liquidating distribution, and so would be worthless if
7 SRAC did not complete a business combination by its deadline.

8 54. Simultaneously with the consummation of the IPO, the Sponsor
9 purchased 454,128 SRAC units for \$10.00 per unit, totaling over \$4.5 million, in a
10 private placement. These units consisted of private placement shares and private
11 placement warrants, which were identical to SRAC's publicly offered units
12 consisting of public shares and public warrants, except for certain key features,
13 including that the private placement shares and private placement warrants would
14 have no redemption rights and would not participate in a liquidating distribution,
15 and so would be worthless if SRAC did not complete a business combination by its
16 deadline.

17 55. From immediately after SRAC's IPO through the end of the Class
18 Period, SRAC reported that the Sponsor and/or its affiliate SRAC Pipe Partners
19 LLC owned approximately 21.7% of SRAC's common stock. SRAC reported these
20 shares as beneficially owned by the Sponsor's managers: Defendant Kabot,
21 Defendant Quiroga, and Freedman.

22 56. The interests of the Sponsor, its affiliate, and their beneficial owners in
23 SRAC securities had substantial value. For example, SRAC reported that as of
24 December 11, 2020, the Sponsor and its affiliate owned SRAC stock and warrants
25 with an aggregate market value of approximately \$80.9 million, which would be
26 rendered worthless if the Business Combination was not approved.

27 57. The Sponsor and each of SRAC's officers and directors agreed to
28 waive their rights to liquidating distributions with respect to their founder shares and

Formatted: _Pld Footer Adjustment

1 private placement shares if SRAC did not complete a business combination by its
2 deadline. SRAC's warrants were to expire worthless if SRAC failed to complete its
3 initial business combination by the May 13, 2021 deadline. Thus, if SRAC did not
4 meet its deadline, the initial shares and the warrants owned by the Sponsor, its
5 affiliates, and each of SRAC's officers and directors would be rendered worthless.

6 58. As the May 13, 2021 deadline drew closer, the financial pressure on the
7 SRAC Individual Defendants to complete a qualifying business combination
8 increased. Identifying a merger target, completing negotiations, finalizing merger
9 documentation, and obtaining required shareholder approvals, is an extremely time
10 consuming process that requires at least several months to complete. For example,
11 discussions between SRAC and Momentus began in June 2020, but the Business
12 Combination was not completed until August 2021. While this process was delayed
13 by the SEC's investigation of SRAC and the need to renegotiate the terms of the
14 proposed merger, even transactions that do not face these obstacles take several
15 months to complete.

16 59. From SRAC's November 13, 2019 IPO through at least June 2020,
17 SRAC identified and met with various potential target businesses, many of them in
18 the cannabis industry, to discuss a possible business combination, yet none of these
19 discussions resulted in the management of SRAC and a target company entering
20 into a merger agreement (other than the negotiations with Momentus). For example,
21 SRAC's management team evaluated over 50 potential business combination
22 targets, and entered into non-disclosure agreements with approximately 26 potential
23 business combination targets (other than Momentus), none of which resulted in a
24 deal.

25 60. By the time Defendant Kabot of SRAC was first introduced to
26 Defendant Kokorich of Momentus on June 26, 2020, SRAC was running out of
27 suitable target companies and running out of time in which to complete an
28 acquisition by its May 2021 deadline.

Formatted: Header

1 61. As detailed below, the materialization of risks concealed from investors
2 by Defendants, including ongoing national security and SEC investigations into
3 Defendants, derailed Defendants' initial plans to complete the merger of SRAC and
4 Momentum by early 2021. Beginning on or about March 25, 2021 Defendants
5 undertook extensive efforts to obtain shareholder approval to extend their May 13,
6 2021 deal deadline by three months to August 13, 2021, and planned a May 6 vote
7 on the extension proposal. Defendants failed to secure sufficient votes in favor of
8 the extension by May 6, and so postponed the vote to May 13, which was still the
9 last day for SRAC to complete a deal or liquidate. The proposal narrowly met its
10 65% approval requirement on May 13 with 66% of outstanding shares voting in
11 favor. Even with the extended August 13, 2021 deadline Defendants faced extreme
12 time pressure and financial incentives to complete a deal, and SRAC had no viable
13 options to complete a deal apart from Momentum. After the end of the Class Period,
14 on or about August 12, 2021 Momentum and SRAC completed their merger.

15 **D. Background Of Momentum: A Space Industry Startup With No**
16 **Revenue**

17 62. Momentum was founded in 2017 in Santa Clara, California, by co-
18 founders Defendant Kokorich and Lev Khasis. Kokorich served as Momentum's
19 CEO from November 2017 until his abrupt resignation on January 25, 2021. At the
20 time of the October 7, 2020 merger agreement announcement by SRAC and
21 Momentum, and throughout most of the Class Period, among Momentum's largest
22 beneficial owners were Defendant Kokorich and Olga Khasis, the spouse of co-
23 founder Lev Khasis. At the time of the October 7, 2020 merger agreement
24 announcement, key members of the Momentum management team included
25 Defendant Kokorich, Defendant Harms, then serving as Momentum's Chief Revenue
26 Officer, and Defendant Kennedy, Momentum's President.

27 63. The joint press release from Momentum and SRAC announcing their
28 merger agreement on October 7, 2020, described Momentum as "a commercial space

Formatted: _Pld Footer Adjustment

Formatted: Header

1 company offering in-space transportation and infrastructure services.” SRAC and
2 Momentum claimed that “Momentum is developing capabilities to provide critical
3 infrastructure services: in-space transportation, satellite as a service, and in-orbit
4 services.” They further claimed that “Momentum’ customers include satellite
5 operators, satellite manufacturers, launch providers, defense primes such as
6 Lockheed Martin and government agencies such as NASA.”

7 64. At no time have Momentum’s operations had any connection to the
8 cannabis industry.

9 65. As SRAC and Momentum admitted in later SEC filings, as of October
10 2020 Momentum had never completed a commercial launch of customer cargo, and
11 as a result had not recognized any revenue in its entire history from 2017 through
12 the October 2020 merger announcement.

13 **E. Momentum’s Need For Cash Gave Its Management An Incentive To**
14 **Conceal Problems That Might Prevent A Merger With SRAC**

15 66. Since its founding in 2017, Momentum had been regularly incurring
16 substantial losses. Momentum recorded worsening net losses of \$6.2 million for
17 2018, \$15.8 million for 2019, and \$15.4 million for just the six months ended June
18 30, 2020.

19 67. Due to its lack of any revenue and history of increasingly large losses,
20 Momentum was entirely dependent for its continued existence on raising funds from
21 investors. At the time of the October 2020 merger announcement, Momentum had
22 already raised, and spent, tens of millions of dollars of investor capital.

23 68. In May 2020 Momentum received a \$970,000 loan under the federal
24 government’s Paycheck Protection Program, which required it to certify that
25 “[c]urrent economic uncertainty makes this loan request necessary to support the
26 ongoing operations of the Applicant.”

27 69. As of June 30, 2020 Momentum’s total liabilities were greater than its
28 total assets. As of June 30, 2020 Momentum had \$10.7 million in cash on hand.

Formatted: _Pld Footer Adjustment

Formatted: Header

1 which would not even be enough to continue its operations through the end of the
2 year based on the rate of its losses in the first half of 2020.

3 70. Accordingly, the Momentus Individual Defendants had a strong
4 incentive to conceal any problems that might prevent Momentus from completing a
5 merger with SRAC and gaining access to its badly needed cash.

6 71. As later revealed in the SEC Complaint, by late 2019 Momentus was in
7 constant fundraising mode. Beginning in early 2020, Defendant Kokorich had
8 discussions with an investment bank in an effort to secure additional funding, and in
9 mid-2020 Momentus formally engaged the bank and sought its assistance to find a
10 suitable SPAC candidate for a merger. In addition to his discussions with SRAC,
11 Kokorich had discussions with two other SPACs, both of which chose not to move
12 forward with a merger with Momentus because Momentus was still at a relatively
13 early stage and immature as a company.

14 **V. UNDISCLOSED ADVERSE FACTS KNOWN TO DEFENDANTS**
15 **DURING THE CLASS PERIOD**

16 **A. The U.S. Government Determined That Momentus's Russian CEO**
17 **Was A National Security Risk**

18 72. Throughout the Class Period, Momentus and the Momentus Individual
19 Defendants knew, but failed to disclose, that the U.S. government had determined
20 that Momentus's CEO, co-founder and major shareholder Defendant Kokorich
21 presented a national security risk, which posed serious problems for Momentus and
22 created a heightened risk that Momentus would not be granted regulatory approvals
23 necessary for its operations.

24 73. Kokorich is a citizen of Russia. At no time has he been a citizen or
25 legal permanent resident of the United States. Kokorich has ties with persons and
26 entities closely affiliated with the Russian government.

27 74. Kokorich co-founded Momentus with Lev Khasis, who from 2013
28 through present has been First Deputy Chairman of the Executive Board of

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Sberbank, which is the largest bank in Russia and which is owned by the Russian
2 state. Sberbank is subject to U.S. sanctions imposed by the U.S. Treasury
3 Department Office of Foreign Assets Control in 2018 because Sberbank supported
4 Russia’s annexation of Crimea from Ukraine. Sberbank has been led from 2007
5 through present by its CEO and Chairman Herman Gref, who is reported to be close
6 to Russia’s autocratic leader Vladimir Putin. In a 2018 report to Congress, the
7 Treasury Department named Gref on a list of “senior foreign political figures and
8 oligarchs in the Russian Federation, as determined by their closeness to the Russian
9 regime and their net worth.”

10 75. Prior to his founding of Momentus, from 2012 on Defendant Kokorich
11 founded and led a company called Dauria Aerospace, which had offices near
12 Moscow, Russia and in Mountain View, California. Dauria Aerospace obtained
13 contracts from the Russian state via the state-owned company Roscosmos State
14 Corporation for Space Activities. Dauria Aerospace partnered with the Skolkovo
15 Foundation, which purports to be a non-profit backed by the Russian state to support
16 a scientific and technological center for the development and commercialization of
17 advanced technologies. According to a warning published by the FBI’s Boston
18 office in 2014, the Skolkovo Foundation “may be a means for the Russian
19 government to access our nation’s sensitive or classified research, development
20 facilities and dual-use technologies with military and commercial applications.”

21 76. The parties to the SEC’s ongoing litigation against Defendant Kokorich
22 have filed various documents as exhibits in that litigation, which directly confirm
23 Momentus’s and Kokorich’s knowledge of the U.S. government’s national security
24 concerns relating to Kokorich during the Class Period.

25 77. On March 22, 2018, the U.S. Department of Commerce, Bureau of
26 Industry and Security (“BIS”) sent an Export License Rejection Notice to Momentus
27 (which was at that time operating under the name Space Apprentices Enterprise).
28 See Exhibit 3. The Rejection Notice denied Momentus’s application to provide to

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Defendant Kokorich “[t]echnology required for the use of electrothermal propulsion
2 devices and thrusters,” i.e., the propulsion technology that formed the core of all of
3 Momentum’s planned services, and which Momentum advertised as its main
4 competitive advantage. The Rejection Notice stated that the Department of
5 Commerce had concluded that Kokorich “is not an acceptable recipient at this time
6 of U.S.-origin items controlled for national security reasons.” See Exhibit 3.

7 78. On June 24, 2018, an attorney for Defendant Kokorich wrote a letter to
8 the U.S. Department of Treasury, Committee on Foreign Investment in the United
9 States (“CFIUS”) regarding Kokorich’s ownership of stock in another space
10 industry company, Astro Digital U.S., Inc. (“Astro Digital”). See Exhibit 4. The
11 letter was written to follow up on the attorney’s recent phone conference with
12 CFIUS personnel in the U.S. Departments of Treasury and Defense regarding the
13 same subject matter. Kokorich’s attorney stated in the letter that “[d]uring the
14 teleconference, CFIUS informed us that it is preparing to order the Kokoriches to
15 divest their ownership interest in Astro Digital. According to your colleagues,
16 CFIUS has concluded that the Kokoriches present a threat to the national security of
17 the United States.” The letter further stated that Kokorich was “well versed in U.S.
18 export control and sanctions laws and regulations.” See Exhibit 4. According to the
19 letter, CFIUS’ investigation relating to national security concerns surrounding
20 Defendant Kokorich had “now spanned almost two years,” and prevented Astro
21 Digital from being able to obtain new investment or funding. Defendant Kokorich’s
22 counsel listed Kokorich and his spouse as receiving copies of the letter.

23 79. On November 12, 2020, Momentum received a notification from the
24 Office of National Security and Technology Transfer Controls within the BIS,
25 informing Momentum that the U.S. Department of Commerce intended to deny
26 Momentum’s application for the deemed export of its “Vigoride” software and
27 technology to Defendant Kokorich. See Exhibit 6. The notification stated that the
28 Department of Commerce believed the denial “furthers the United States policy . . . to

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

1 restrict the export of goods and technology which would make a significant
2 contribution to the military potential of any other country or combination of
3 countries which would prove detrimental to the national security of the United
4 States.” The notification further stated that the Department of Commerce made its
5 determination in consultation with the Department of Defense, the Department of
6 State, and the Department of Energy. See Exhibit 6.

7 80. The U.S. Department of Defense, Office of Foreign Investment Review
8 sent a letter dated January 13, 2021 to the Securities and Exchange Commission
9 regarding the proposed merger between SRAC and Momentus. See Exhibit 7.
10 According to admissions later made in SRAC’s SEC filings, “On January 21, 2021,
11 Momentus became aware of correspondence from the U.S. Department of Defense .
12 . . . stating Momentus posed a risk to national security as a result of the foreign
13 ownership and control of Momentus by Mikhail Kokorich and Lev Khasis and their
14 associated entities, as well as concerns regarding disclosures relating to such matters
15 made by Stable Road in its SEC filings in connection with the Business
16 Combination.”

17 81. The January 13, 2021 letter stated that the Department of Defense “has
18 concluded that Momentus presently poses a risk to national security and accordingly
19 has requested appropriate governmental agencies conduct national security
20 reviews,” and that the Office of Foreign Investment Review would “continue to
21 recommend that DoD places an indefinite hold on all Momentus’ relationships with
22 DoD.” The letter stated that Kokorich’s previous Dauria Aerospace company
23 partnered with the Skolkovo Foundation, which the FBI assessed “may be a means
24 for the Russian government to access our nation’s sensitive or classified research.”
25 See Exhibit 7. The letter also noted national security concerns relating to Momentus’
26 “complex and opaque foreign ownership structure [that] may not accurately reflect
27 the ultimate beneficial owner of Momentus nor the true identity of financiers of
28 Momentus.” In particular, the letter noted that reported major Momentus

1 shareholder Olga Khasis was the wife of Lev Khasis, who was the “First Deputy
2 Chairman of Russia’s state-owned bank, Sberbank.” and that Sberbank is on the
3 Treasury Department Office of Foreign Assets Control’s “Sanctions List.”

4 82. The Department of Defense’s January 13, 2021 letter went on to state
5 that the Department of Defense believed SRAC’s November 2, 2020 S-4 filed with
6 the SEC to be misleading regarding these and related national security issues, and
7 that the “DoD is currently reviewing a 2019 federal investigation to determine if
8 Mikhail Kokorich violated export control laws while serving as both an investor and
9 executive in several satellite companies.” See Exhibit 7. The letter concludes by
10 stating that the Defense Department “concluded that Momentus’ current proposal
11 poses a risk to investors,” and by requesting that the SEC “delay the IPO of
12 Momentus in order to provide DoD and other government agencies the appropriate
13 time to conduct further due diligence.”

14 83. This Department of Defense letter appears to have prompted the SEC’s
15 investigation of Momentus, SRAC and the proposed merger. As SRAC admitted in
16 later SEC filings, “[o]n January 24, 2021, [Momentus] received a subpoena from the
17 Division of Enforcement of the U.S. Securities and Exchange Commission . . .
18 requesting documents regarding the Registration Statement on Form S-4 and
19 Amendment No. 1 thereto . . . filed by SRAC in connection with the Business
20 Combination.” SRAC further admitted in other filings that “[i]n January 2021, the
21 SEC’s Division of Enforcement informed SRAC and Momentus that it was
22 investigating certain disclosures made in filings with the SEC, including in
23 connection with the Business Combination.”

24 84. In addition to the foregoing documents filed in the SEC’s ongoing
25 litigation against Defendant Kokorich, the SEC revealed additional details regarding
26 Kokorich’s national security risks and related problems in the SEC Complaint and
27 the SEC Order. According to the SEC Order’s findings and the SEC Complaint’s
28 allegations, in June 2018 U.S. Customs and Immigration Services (“USCIS”)

Formatted: Header

1 revoked Defendant Kokorich’s work visa and denied his application for permanent
2 resident status. In September 2018 Kokorich applied for asylum, claiming to be a
3 prominent critic of the Russian government. On or about August 28, 2019, USCIS
4 informed Kokorich that it had not granted his asylum application, and that it had
5 referred his case to an immigration judge for adjudication in removal proceedings.
6 USCIS based its determination on “inconsistencies” in Kokorich’s application and
7 testimony “with regard to [his] political affiliations and activities in Russia.” On or
8 about the same date, the FBI, the Department of Homeland Security, and the BIS’s
9 Office of Export Enforcement arrived unannounced at Momentus’s headquarters,
10 questioned multiple employees, and detained Kokorich and transported him to an
11 immigration detention center after which he was released on bond. Kokorich was in
12 the process of adjudicating the removal proceedings when he left the U.S. in January
13 2021.

14 85. The SEC Order and SEC Complaint also provide additional factual
15 findings and allegations regarding the November 12, 2020 notification from the BIS
16 informing Momentus that the it intended to deny Momentus’ application for the
17 deemed export of its “Vigoride” software and technology to Defendant Kokorich.
18 See Exhibit 6. Momentus had filed this application in February 2020, and on April
19 15, 2020 Momentus learned that the application was placed on “hold without
20 action” by the BIS reviewer. On October 7, 2020 a BIS representative emailed
21 Momentus stating that the Departments of Defense and State would recommend
22 denying the application, and two days later the same BIS representative further
23 disclosed that the Department of Energy would also recommend denial. On October
24 23, 2020 the BIS representative emailed again to disclose that BIS’s Operating
25 Committee had determined to deny the license.

26 86. Throughout the Class Period Momentus and the Momentus Individual
27 Defendants failed to disclose to investors the foregoing highly material known facts,
28 that multiple U.S. government agencies had repeatedly concluded that Defendant

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Kokorich was an unacceptable national security risk, which posed serious problems
2 for Momentus’s ability to carry out its planned operations in the space industry,
3 which is very regulated and highly sensitive from a national security standpoint.

4 **B. Momentus’s Only Test Of Its Technology In Space Was A Failure**

5 87. Throughout the Class Period, Momentus and the Momentus Individual
6 Defendants knew, but failed to disclose, that Momentus had only conducted one test
7 of its technology in space, that this test was not completed due to an equipment
8 failure, and that even if this test had been successfully completed it would not have
9 demonstrated the commercial viability of Momentus’s technology. As such,
10 Momentus was highly unlikely to be able to develop and commercialize its
11 technology on the aggressive timeline touted by Defendants in support of the
12 merger.

13 88. The critical piece of technology that Momentus touted as a
14 breakthrough and its key source of competitive advantage was the water plasma
15 propulsion system that was to be the source of power to provide Momentus’s
16 advertised services of transporting satellites in space. This water plasma thruster was
17 of primary importance to all of Momentus’s plans and had to work in space in order
18 for Momentus to generate any revenue.

19 89. Toward the end of the Class Period and afterward, under pressure from
20 the SEC to correct their prior misstatements, Defendants admitted the severe
21 shortcomings of the one and only in space test that Momentus ever attempted of this
22 technology:

23 Our first-generation X-band thruster, which operates at 30 Watts, was
24 flown aboard a demonstration mission called El Camino Real in mid-
25 2019. During this mission, Momentus launched its first MET
26 [microwave electrothermal thruster] into space as a hosted payload on
27 a nanosatellite. The mission’s objective was to demonstrate the
28 MET’s ability to produce water plasma in space by performing 100
one-minute firings . . . Failure of the host satellite in November 2019

Formatted: _Pld Footer Adjustment

1 prematurely terminated the demonstration after only 23 of the planned
2 100 firings of the thruster had been performed . . .

3 90. *Momentum later confirmed the failure of this mission in a post-Class*
4 *Period press release, stating “The MET water plasma-based thruster was launched in*
5 *July 2019 in a mission known as El Camino Real. The mission did not meet its pre-*
6 *launch success criteria.”*

7 91. *Momentum and its personnel including Defendants Kokorich and Harms*
8 *were immediately aware of the premature end of the test due to the equipment*
9 *failure. This failure was discussed in a November 26-27, 2019 email chain among*
10 *six Momentum employees including Defendants Harms and Kokorich, as well as*
11 *Momentum’s Chief Engineer, with the subject line “Need El Camino Real Failure*
12 *Review Board.” See Exhibit 5. In that email chain, Momentum’s Chief Technology*
13 *Officer wrote, “[e]ven if we recover the spacecraft, at this point it is my judgement*
14 *that we need to convene a failure review board.” See Exhibit 5.*

15 92. *Defendants’ end of Class Period admissions detailed further*
16 *shortcomings of this one and only in space test, stating that of the 23 firings*
17 *completed before the mission’s failure, there were “12 hot firings with microwave*
18 *power turned on and 11 cold firings with the microwave turned off,” and that “a*
19 *pump issue significantly restricted flow of water into the thruster during nine of the*
20 *12 hot firings, preventing plasma-generation.”*

21 93. *Even for the three hot firings that had water present, Defendants*
22 *admitted that “pressure and temperature data did not provide sufficient information*
23 *to either confirm or contradict plasma presence.” However Defendants went on to*
24 *state “Momentum believes that the reflected power data collected during the three hot*
25 *firings with water present to be sufficient to conclude that plasma was produced.”*

26 94. *Defendants went on to admit “issue[s]” and “weaknesses” revealed by*
27 *this test, stating “[t]he aforementioned pump issue and other observed weaknesses*
28

1 from El Camino Real have informed our propulsion system design, pressure sensor
2 selection and overall vehicle design process.”

3 95. Furthermore, Defendants admitted that the technology they planned to
4 commercially deploy was not the small, commercially useless test model thruster
5 involved in the 2019 in space test, but a redesigned version that was supposed to
6 generate many times more thrust, that would be needed for any commercial
7 operations. While the 2019 test model was supposed to operate at 30 Watts,
8 Defendants admitted that their planned commercial use thrusters were supposed to
9 operate at powers of 550 Watts, 750 Watts, or more. Defendants further admitted
10 that “the technology underlying Momentus’s anticipated service offerings (including
11 its water plasma propulsion technology) is still in the process of being developed
12 and has not been fully tested or validated in space.”

13 96. In addition to the foregoing admissions by the Defendants, the SEC
14 revealed additional details regarding Momentus’s failure to successfully test its
15 technology in space in the SEC Complaint and the SEC Order. According to the
16 SEC Order’s findings and the SEC Complaint’s allegations, a former Momentus
17 officer stated that the thruster tested in the El Camino Real mission did not have
18 “commercial potential” because it was “too small, too inefficient, too low in
19 [specific impulse], too low in total impulse.” A former Momentus officer stated that
20 the mission yielded “no data to suggest that that thruster would deliver an impulse of
21 any commercial significance.” A Momentus engineer admitted that the mission did
22 not yield sufficient data to demonstrate the propulsion system’s reliability or
23 longevity. The SEC also revealed that while the satellite used in the El Camino Real
24 test is still in space, it is not functional.

25 97. The SEC Complaint and the SEC Order also confirm Defendant
26 Kokorich’s knowledge of these facts. Kokorich admitted he understood even before
27 the launch that the mission was not designed to show that the thruster could provide
28 a measurable change in velocity from thrust, to measure specific impulse, or to show

1 the thruster’s reliability. In a February 2020 internal Momentus document sent to
2 Defendant Kokorich, a Momentus engineer acknowledged that Momentus did not
3 obtain “any useful mission results” from the launch.

4 98. Throughout the Class Period Momentus and the Momentus Individual
5 Defendants failed to disclose to investors the foregoing highly material known facts,
6 that Momentus’s only test of its technology in space was not completed due to an
7 equipment failure, and that even if this test had been successfully completed it
8 would not have demonstrated the commercial viability of Momentus’s technology.

9 **C. Momentus’s Wildly Excessive Revenue Projections Ignored Its**
10 **National Security Risks And Unproven Technology**

11 99. During the Class Period Defendants repeatedly emphasized to public
12 investors their aggressive revenue projections for Momentus. For example,
13 Defendants’ projections issued as part of the October 7, 2020 deal announcement
14 forecast \$2 million in 2020 revenue, \$19 million in 2021, and \$152 million in 2022,
15 growing to over \$4 billion by 2027.

16 100. Because Momentus would only recognize revenue upon successfully
17 providing its planned services in space, these forecasts were premised on the key
18 assumptions that Momentus’s technology would work as hoped in space, and that
19 Momentus would be granted all of the many required regulatory approvals to
20 conduct its operations and place its products on rocket launches. As such,
21 Defendants’ near-term revenue forecasts likewise depended on the critical
22 assumption that Momentus would be allowed to participate in one rocket launch in
23 2020, and three more in 2021.

24 101. But, as detailed above in Section V.A, Momentus and the Momentus
25 Individual Defendants knew that the federal government had serious national
26 security concerns relating to Defendant Kokorich which posed a high risk that
27 Momentus would not receive regulatory approvals necessary to conduct its
28 operations. And, as detailed above in Section V.B, Momentus and the Momentus

Formatted: Header

1 Individual Defendants knew that it had never successfully demonstrated the
2 commercial viability of its technology in space which posed a high risk that its
3 technology would not perform as hoped on its first ever commercial missions.

4 102. Momentus and the Momentus Individual Defendants knew of these
5 serious risks to its planned operations and launch schedule, and likewise knew that
6 their revenue projections ignored those risks and simply assumed that the federal
7 government would grant Momentus all required regulatory approvals and that
8 Momentus's technology would work in space as hoped. Defendants therefore knew
9 that the best-case scenario assumptions they used in preparing Momentus's
10 published financial projections were very likely to fail, and that the aggressive
11 revenue projections based on those assumptions were highly unlikely to be
12 achieved.

13 103. Taken together, the foregoing facts seriously undermined the accuracy
14 of Defendants' revenue forecasts, and the failure to disclose these facts rendered the
15 issuance of the forecasts and Defendants' related statements materially misleading.
16 Momentus and the Momentus Individual Defendants' knew their projections were
17 based on unreasonable assumptions and therefore lacked any reasonable basis in
18 fact.

19 **D. SRAC Failed To Conduct Adequate Due Diligence**

20 104. Throughout the Class Period, SRAC and the SRAC Individual
21 Defendants knew, but failed to disclose, that they had conducted inadequate due
22 diligence of Momentus that failed to follow up on known red flags regarding
23 Defendant Kokorich's national security issues, and that failed to investigate the
24 results of Momentus's only test of its technology in space.

25 105. SRAC and the SRAC Individual Defendants therefore knew that they
26 lacked sufficient information to assess the truth or falsity of their own statements
27 regarding regulatory risks facing Momentus, or the purported success of
28 Momentus's one and only in space test of its technology. These Defendants

Formatted: _Pld Footer Adjustment

Formatted: Header

1 similarly knew that they lacked sufficient information to assess the truth or falsity of
2 their own statements reiterating Momentus’s aggressive revenue projections,
3 because those projections were based on key assumptions that SRAC had never
4 evaluated.

5 106. Toward the end of the Class Period and afterward, under pressure from
6 the SEC to correct their prior misstatements, Defendants admitted facts showing that
7 SRAC failed to reasonably investigate Momentus’s claims regarding its technology.

8 107. Defendants admitted that “none of the directors or officers of SRAC are
9 engineers or physicists, and therefore their views as to the technical and commercial
10 viability of Momentus’ technology relied on the review and conclusions of experts
11 that SRAC engaged as part of its due diligence review, as well as the representations
12 of Momentus’ senior management.”

13 108. Defendants further admitted that their technical advisors’ review did
14 not evaluate Momentus’s claims to have successfully tested its technology in space,
15 and was rushed to completion in only four weeks:

16 On September 1, 2020, SRAC engaged Stellar Solutions, a technology
17 consulting firm, to assist with technical due diligence. Stellar
18 Solutions’ review, which resulted in a final report to SRAC in
19 approximately four weeks, was designed to conduct an assessment
20 encompassing technical capabilities, technical maturity, system and
21 operational risks and concerns, as well as industry expert observations
22 on market and competitive considerations for the services and
23 business. Stellar Solutions did not conduct a review of the results of
24 the 2019 demonstration mission called El Camino, based on its
25 determination regarding the further development of the technology
26 since that time and the additional ground testing that had been
27 conducted by Momentus thereafter.

28 109. Defendants also admitted that members of the law firm, Kirkland &
Ellis LLP, retained by SRAC in connection with the proposed merger and due
diligence of Momentus, included investors in the Sponsor and its affiliate SRAC
Pipe Partners LLC. Therefore SRAC’s attorneys assisting with due diligence were

Formatted: _Pld Footer Adjustment

1 not independent and objective, but shared the SRAC Individual Defendants'
2 conflicts of interest based on their financial interests in the Sponsor. According to
3 SRAC's SEC filings later in the Class Period, "[c]ertain partners of Kirkland & Ellis
4 LLP are investors in the Sponsor and SRAC Partners."

5 110. In addition to the foregoing admissions by the Defendants, the SEC
6 revealed additional details regarding the failure of SRAC and the SRAC Individual
7 Defendants to conduct adequate due diligence of Momentus in the SEC Complaint
8 and the SEC Order.

9 111. The SEC Order found that SRAC did not specifically ask Stellar
10 Solutions to review Momentus's El Camino Real mission, and Stellar Solution's
11 report to SRAC made no mention of that mission.

12 112. The SEC Order also found that SRAC and Defendant Kabot conducted
13 inadequate due diligence relating to national security concerns surrounding
14 Defendant Kokorich. SRAC and Defendant Kabot knew that CFIUS had required
15 Kokorich to divest form another space technology company in 2018. During due
16 diligence, SRAC received a copy of CFIUS's final order and repeatedly asked
17 Momentus for correspondence and other documents that would describe the basis of
18 the order. Momentus responded that it did not possess those documents. SRAC
19 failed to obtain a full and complete understanding of the basis for the CFIUS order
20 or its impact on Momentus's business.

21 113. In sum, SRAC and the SRAC Individual Defendants knew that they
22 had failed to verify key information relating to Momentus's technology and
23 Kokorich's national security risks, and that they were simply repeating to public
24 investors unsupported assertions made to them by Momentus and the Momentus
25 Individual Defendants.

Formatted: Header

1 VI. DEFENDANTS MISLED INVESTORS TO GAIN SUPPORT FOR THE
2 MERGER

3 A. Defendants Announce The Merger Agreement And Misleadingly
4 Hype Momentus's Prospects

5 114. On October 7, 2020, with time running out to complete a business
6 combination before SRAC's May 13, 2021 deadline, SRAC and Momentus
7 announced that they had entered into a merger agreement, pursuant to which the two
8 companies would merge, SRAC stockholders would gain a proportionate interest in
9 Momentus, Momentus would gain access to the \$172.5 million in SRAC's trust
10 account (plus additional funds from a concurrent private placement), and Momentus
11 would become a publicly traded company. The Defendants stated that completion of
12 the proposed transaction was subject to approval by Momentus and SRAC
13 shareholders, and was expected to be completed in early 2021.

14 115. On October 7, 2020, SRAC filed with the SEC a Form 8-K that
15 contained further information about the proposed merger transaction. Among other
16 things, the Form 8-K included as attachments a copy of the joint press release from
17 SRAC and Momentus, a copy of the merger agreement, and an investor presentation
18 about Momentus and the proposed merger. On the same day, Defendants conducted
19 a public conference call to discuss the proposed merger and to provide further
20 information to investors, and Defendant Kabot gave a televised interview on CNBC.
21 Through these various channels, Defendants aggressively touted the proposed
22 merger and Momentus's prospects.

23 116. Defendants' October 7, 2020 statements were materially false and/or
24 misleading, and failed to disclose material adverse facts about the Momentus's
25 business, operations, and prospects. Specifically, Defendants failed to disclose to
26 investors that: (a) the federal government had determined Momentus's CEO,
27 Defendant Kokorich, to be a threat to national security, (b) Momentus had never
28 successfully tested its technology in space, (c) as a result, Defendants' projections of

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Momentum's future revenue were wildly overstated, and (d) SRAC's due diligence
2 of Momentum was superficial, ignored red flags that demanded further investigation,
3 and did not provide a reasonable basis for SRAC's statements about Momentum.

4 117. For example, nowhere in Defendants' October 7, 2020 statements did
5 they mention that the federal government had raised national security concerns
6 regarding Momentum's co-founder, major shareholder and CEO Defendant
7 Kokorich, which had caused the U.S. Department of Commerce Bureau of Industry
8 and Security to deny Momentum an export license, and which had caused the U.S.
9 Treasury Department Committee on Foreign Investment in the United States to
10 order Kokorich to divest his ownership interests in another space industry company
11 he had led.

12 118. In the press release announcing the Merger Agreement, SRAC and
13 Momentum stated that, "[i]n 2019, the Company successfully tested its water plasma
14 propulsion technology in space." However, the mission referred to failed before
15 achieving its objectives, and did not even attempt to demonstrate the commercial
16 viability of Momentum's technology.

17 119. Defendants ignored the substantial risks to Momentum's business posed
18 by these national security concerns and the unproven status of its technology, and
19 baselessly forecast revenues of \$2 million in 2020, \$19 million in 2021, increasing
20 to over \$1 billion by 2024, and over \$4 billion by 2027, despite never having earned
21 any revenue in the company's history to date.

22 120. And when Defendant Kabot went on television, in response to a
23 question regarding the current "blank check bonanza," and "whether you think
24 there's just too many" SPACs, he stated:

25 what I think is great for the investor is we did four months of due
26 diligence. We spent a lot of money with some of the top service
27 providers out there from Stellar Solutions to Kirkland and Ellis, from
28 Orrick to Evercore to cantor completing our underwriting, right, we
did four months of due diligence, which in a traditional ipo you would

Formatted: _Pld Footer Adjustment

1 never have the opportunity to do, so I think SPACs are very healthy
2 for the market.

3 Defendant Kabot made these statements despite knowing that SRAC had failed to
4 undertake basic due diligence such as confirming whether Momentus’s technology
5 was actually successfully tested in space, or following up on red flags known to
6 SRAC about national security issues relating to Defendant Kokorich.

7 121. In sum, from their very first public statements regarding the proposed
8 merger on October 7, 2020, Defendants materially misled investors as part of their
9 efforts to aggressively promote the deal and ensure its prompt closing.

10 **B. Defendants Aggressively And Misleadingly Promoted The**
11 **Proposed Merger Following Its Announcement**

12 122. From Defendants’ first public announcement of the proposed Merger
13 on October 7, 2020 up to the SEC’s July 13, 2021 announcement of the SEC Order
14 and the filing of the SEC Complaint, Defendants aggressively and misleadingly
15 promoted the proposed Merger and Momentus’s business prospects in numerous
16 public statements, in an apparent effort to build investor support for the Merger.

17 123. Throughout the Class Period Defendants falsely ignored and
18 downplayed the U.S. government’s national security concerns relating to Defendant
19 Kokorich. Defendants falsely told investors that Momentus had successfully tested
20 its technology in space. Defendants ignored national security and technological risks
21 to baselessly claim that Momentus could achieve explosive revenue growth,
22 beginning in only a matter of months. And Defendants falsely boasted of SRAC’s
23 purportedly “extensive” due diligence of Momentus.

24 124. SRAC filed with the SEC a Registration Statement on Form S-4 on
25 November 2, 2020, which, similar to Defendants’ October 7, 2020 statements,
26 contained false and misleading statements and omissions regarding Momentus,
27 SRAC’s due diligence, and the proposed merger.

Formatted: Header

1 125. While SRAC's November 2, 2020 Registration Statement (and later
2 amendments) recited certain potential risks that could arise in connection with the
3 merger with Momentus, it provided no reasons to suspect that SRAC had failed to
4 reasonably investigate such risks, or any indication that any of these potential risks
5 had already substantially materialized. In short, SRAC's shareholders had no reason
6 to doubt the Defendants' characterization of Momentus as a valuable business with a
7 clear path to rapid and substantial revenue growth and profitability.

8 126. SRAC subsequently amended the Registration Statement four times
9 during the Class Period on: December 14, 2020; March 8, 2021; June 29, 2021; and
10 July 12, 2021. While certain of these amendments provided additional information
11 regarding Momentus's national security problems, Momentus's failure to
12 successfully test its technology in space, Momentus's financial projections, or
13 SRAC's due diligence, each amended Registration Statement still omitted material
14 information and failed to disclose sufficient information to fully reveal the truth to
15 investors.

16 127. SRAC also filed with the SEC updated versions of the investor
17 presentation relating to Momentus that had been initially filed on October 7, 2020.
18 SRAC filed such updated investor presentations, each of which remained materially
19 misleading for the above stated reasons, on October 13, 2020; November 17, 2020;
20 December 14, 2020; April 7, 2021; and May 5, 2021.

21 128. Momentus issued a dozen promotional press releases during the Class
22 Period, which touted Momentus's business and/or promoted the proposed Merger,
23 for example by announcing customer "contracts" to deliver satellites to lunar orbits
24 which Momentus had never attempted and lacked the technology to achieve.

25 129. Defendants gave interviews to public media outlets to misleadingly
26 promote the proposed merger throughout the Class Period. For example, on January
27 4, 2021, simultaneously with Defendants' announcement that Momentus's launch
28 schedule would be delayed in order to obtain regulatory approvals, Defendant

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

1 Kennedy gave an interview to IPO Edge in which he misleadingly reaffirmed
2 Momentum's revenue projections and downplayed national security concerns relating
3 to Defendant Kokorich. And on May 4, 2021 Defendants Kabot and Harms, along
4 with Momentum Chief Technology Officer Rob Schwartz, gave another interview to
5 IPO Edge, in which they continued to misleadingly tout Momentum's prospects and
6 technology.

7 130. Defendants' statements throughout the Class Period regarding
8 Momentum were apparently made as part of a public relations strategy to build
9 investor support for the proposed Merger. As with Defendants' initial October 7,
10 2020 statements, Defendants' other Class Period statements misleadingly
11 downplayed or ignored national security risks, touted Momentum's technology, made
12 baseless financial projections, and falsely touted SRAC's purportedly extensive due
13 diligence.

14 **VII. THE TRUTH EMERGES, CAUSING SRAC'S STOCK PRICE TO**
15 **PLUMMET**

16 131. From January 4, 2021 until July 13, 2021, the truth regarding SRAC
17 and Momentum was revealed to investors in a series of partial corrective disclosures
18 and materializations of previously concealed risks. Over this period, Momentum and
19 SRAC made several piecemeal partial disclosures of regulators' national security
20 concerns relating to Momentum, resulting in the repeated postponement of its
21 planned space missions, the resignation of Defendant Kokorich, and customers and
22 suppliers abandoning Momentum. Over this period, Momentum and SRAC similarly
23 made piecemeal partial disclosures relating to and as a result of the SEC's
24 investigation into their misleading statements to investors, culminating in the SEC's
25 announcement of the Cease and Desist Order and the filing of a civil enforcement
26 action against Defendant Kokorich on July 13, 2021.

27 132. In response to SRAC's and Momentum's partial corrective disclosures
28 and materializations of concealed risks over the January 4, 2021 to July 13, 2021

1 period, and ultimately in response to the SEC’s revelations, SRAC’s publicly traded
2 stock price declined dramatically. While SRAC stock reached a Class Period intra-
3 day high of \$29.18 per share on February 10, 2021, on July 15, 2021 it closed at
4 only \$10.38 per share.

5 **A. January 4, 2021 Disclosures Regarding Launch Delay**

6 133. On January 4, 2021, after the close of stock market trading, Momentus
7 published a press release titled “Momentus Announces Move of Vigoride from
8 January 2021 Mission; Will be Remanifesting to a Subsequent Launch,” and SRAC
9 publicly filed a copy of the press release with the SEC.

10 134. The press release stated in relevant part that Momentus “will be
11 remanifesting its January 2021 mission to a subsequent launch opportunity in 2021.
12 This move will allow for the additional time necessary to secure FAA approval of
13 Momentus’ payloads, including completion of a standard interagency review. “

14 135. From the October 7, 2020 deal announcement onward, Defendants had
15 repeatedly touted a planned December 2020 or January 2021 mission to place
16 customer satellites in space and test Momentus’s technology in space. However, as
17 partially revealed by the January 4, 2021 press release, the risks relating to national
18 security and SRAC’s deficient due diligence concealed by Defendants’ false
19 statements had begun to materialize, with a federal government agency denying an
20 approval without which Momentus could not operate its business, and with the
21 announcement of an ongoing “interagency review.”

22 136. Following publication of this press release, on January 5, 2021 SRAC’s
23 stock closed at \$16.25 per share, 6.0% lower as compared to its previous day closing
24 price. SRAC’s stock continued to fall in the next trading session, closing January 6,
25 2021 at a price of \$15.40 per share, representing a total loss of 10.9% since
26 publication of the press release.

Formatted: Header

B. January 25, 2021 Disclosures Regarding Kokorich’s Resignation

137. On January 25, 2021 before the open of stock market trading, Momentus published a press release titled “Momentus Names Dawn Harms Interim CEO,” and SRAC publicly filed a copy of the press release with the SEC.

138. The press release disclosed that Defendant Kokorich had resigned effective immediately, and would be replaced by Defendant Harms as interim CEO. The press release stated in relevant part, “Momentus, in consultation with . . . Stable Road . . . has determined that accepting Mr. Kokorich’s resignation is in the best interest of the Company, in an effort to expedite the resolution of U.S. government national security and foreign ownership concerns surrounding the Company, the existence of which the Company recently has confirmed.” The press release quoted Defendant Kabot as stating, “We believe that this leadership transition will position the company for success and help accelerate regulatory reviews by the U.S. government.” The press release stated that “Momentus and Stable Road are fully committed to cooperating with the U.S. government in connection with any regulatory reviews.”

139. From the October 7, 2020 deal announcement onward, Defendants had repeatedly touted Defendant Kokorich’s central importance to Momentus and its future plans. However, as partially revealed by the January 25, 2021 press release, the federal government had “national security and foreign ownership concerns” relating to Momentus. Also as partially revealed by the January 25 press release, the risks relating to national security and SRAC’s deficient due diligence concealed by Defendants’ false statements had further materialized, to the point that Momentus’s CEO and co-founder was forced to resign, amid ongoing “regulatory reviews by the U.S. government.”

140. Following publication of this press release, on January 25, 2021 SRAC’s stock closed at \$23.68 per share, 4.7% lower as compared to its previous day closing price. SRAC’s stock continued to fall in the next trading session, closing

Formatted: _Pld Footer Adjustment

1 January 26, 2021 at a price of \$22.75 per share. And SRAC's stock continued to fall
2 in the following trading session, closing January 27, 2021 at a price of \$20.10 per
3 share, representing a total loss of 19.1% since publication of the press release.

4 **C. March 8, 2021 Disclosures Regarding Governmental Investigations**

5 141. On March 8, 2021 during stock market trading hours SRAC publicly
6 filed with the SEC an amended Registration Statement on Form S-4/A.

7 142. The amended Registration Statement contained partial corrective
8 disclosures, and revealed the further materialization of concealed risks, relating to
9 the federal government's national security concerns surrounding Defendant
10 Kokorich. For example, the amended Registration Statement disclosed that:

11 On January 21, 2021, Momentus became aware of correspondence
12 from the U.S. Department of Defense . . . stating Momentus posed a
13 risk to national security as a result of the foreign ownership and
14 control of Momentus by Mikhail Kokorich and Lev Khasis and their
15 associated entities, as well as concerns regarding disclosures relating
with the Business Combination.

16 143. The amended Registration Statement similarly revealed that "after a
17 series of communications with the FAA with respect to a license for the January
18 2021 mission, the FAA ultimately determined that it was unable to grant to SpaceX
19 an approval of the Momentus payload for the SpaceX Transporter-1 launch in
20 January 2021 due to national security and foreign ownership concerns regarding
21 Momentus raised by the Department of Defense during an interagency review."

22 144. The amended Registration Statement further disclosed that Momentus
23 had offered to undertake costly and time consuming "mitigation" efforts, that would
24 adversely impact its business, in order to address the federal government's national
25 security concerns:

26 These proposed mitigation measures include, among other things, the
27 engagement of an independent professional to conduct an audit of
28 Momentus' technology, adoption and implementation of a NSIT- or

1 ISO-compliant data security plan, and appointment of a security
2 officer to oversee compliance with mitigation terms agreed with
3 CFIUS. Momentus and SRAC indicated in the CFIUS notice that the
4 proposed mitigation measures are not intended to be exhaustive or
5 exclusive, and that they are committed to wholly addressing CFIUS’s
6 and its member agencies’ national security concerns.

7 145. The amended Registration Statement revealed that Momentus now did
8 not expect to complete its first launch until June 2021, and that Momentus generally
9 expected a more delayed schedule for launches and commercialization of its
10 technology as compared to its prior forecasts.

11 146. The amended Registration Statement revealed that Momentus’s
12 backlog of customer contracts fell from \$90 million to \$86 million. This represented
13 the cancellation of \$4 million worth of customer contracts, and was a further
14 materialization of concealed risks relating to national security and SRAC’s deficient
15 due diligence, and the resulting significant delay in Momentus’s planned launch
16 schedule. Similarly, the amended Registration Statement deleted a statement from
17 the prior version of the Registration Statement, which had said “[w]e were recently
18 selected by Lockheed Martin to support its \$89.7 million contract from NASA’s
19 2020 Tipping Point solicitation, to provide Satellite as a Service using our Vigoride
20 vehicle for Lockheed Martin’s payload,” thus revealing that Lockheed Martin would
21 no longer use Momentus for this mission.

22 147. The notes to Momentus’s financial statements included in the amended
23 Registration Statement revealed that Momentus “has concluded there is substantial
24 doubt about its ability to continue as a going concern within one year after the date
25 these financial statements are issued,” due to its history of losses, need to obtain
26 additional investment, and uncertainty surrounding its products and services. The
27 substantial doubt about Momentus’s ability to continue as a going concern
28 represented a further materialization of risks relating to national security and
SRAC’s deficient due diligence concealed from investors, as delays in Momentus’s

1 launch schedule and ability to generate revenue were directly caused by the federal
2 government’s national security review of Kokorich and Momentus.

3 148. The amended Registration Statement also revealed that “in January
4 2021, the SEC’s Division of Enforcement informed SRAC and Momentus that it
5 was investigating certain disclosures made in filings with the SEC, including in
6 connection with the Business Combination. SRAC and Momentus are fully
7 cooperating with the SEC’s investigation and are unable to predict the outcome of
8 the matter at this time.”

9 149. Following publication of the amended Registration Statement, on
10 March 8, 2021 SRAC’s stock closed at \$12.50 per share, 8.0% lower as compared to
11 its previous day closing price.

12 **D. May 4, 2021 Disclosures Regarding Loss Of Customers**

13 150. On May 4, 2021 during stock market trading hours representatives of
14 SRAC and Momentus participated in a live broadcast interview with IPO Edge. The
15 interview was accompanied by a modified version of Momentus’s investor
16 presentation. On May 5, 2021 SRAC publicly filed a transcript of this interview
17 with the SEC on Form 425, along with a copy of the accompanying investor
18 presentation.

19 151. The investor presentation was similar to presentations previously
20 published by SRAC and Momentus. However, whereas prior presentations had
21 touted \$90 million or \$86 million of “backlog” customer contracts, Defendants
22 removed all backlog numbers from this new version of the presentation. The May 4,
23 2021 presentation contained slides titled “Momentus at a Glance” and “Significant
24 Customer Traction and Expected Demand” that were substantially similar to slides
25 included in prior presentations, with the exception that the prior versions contained
26 specific backlog numbers which were now conspicuously absent from the May 4,
27 2021 presentation. Also conspicuously absent from the May 4, 2021 presentation
28 was the inclusion of Lockheed Martin among the lists of customers included in prior

Formatted: Header

1 presentation versions. These changes to the investor presentation revealed to the
2 market that Momentus continued to lose customers and backlog. This was a further
3 materialization of concealed risks relating to national security and SRAC's deficient
4 due diligence, and the resulting significant delay in Momentus's planned launch
5 schedule.

6 152. Following the broadcast of this interview and presentation, on May 4,
7 2021 SRAC's stock closed at \$11.08 per share, 6.7% lower as compared to its
8 previous day closing price.

9 **E. May 24, 2021 Disclosures Regarding Further Launch Delays**

10 153. On May 24, 2021 during stock market trading hours SRAC publicly
11 filed with the SEC a current report on Form 8-K.

12 154. The current report stated in relevant part "On May 23, 2021, Momentus
13 informed Stable Road that it does not expect to fly any missions in 2021 and that
14 this determination was based on information from SpaceX that it was suspending its
15 Momentus-related efforts while Momentus works to secure approvals from the U.S.
16 government . . . Momentus is in the process of updating its financial projections and
17 backlog."

18 155. From the October 7, 2020 deal announcement onward, Defendants had
19 repeatedly touted participation in multiple planned launches in 2021, even after they
20 admitted to delays in the launch schedule in response to ongoing national security
21 investigations. Defendants had likewise repeatedly touted SpaceX as a key partner
22 important to Momentus's future plans and success. However, as partially revealed
23 by the May 24, 2021 current report, the risks relating to national security and
24 SRAC's deficient due diligence concealed by Defendants' false statements had
25 further materialized, and Momentus would now not be able to participate in any
26 launches in 2021, and so would not be able to generate any revenue from offering its
27 services in space in 2021.

28

Formatted: _Pld Footer Adjustment

Formatted: Header

1 156. Similarly, from the October 7, 2020 deal announcement onward,
2 Defendants had repeatedly touted the potential revenue from Momentus’s customer
3 order backlog, and aggressive revenue projections based on multiple launches
4 occurring in 2021, but now admitted that these figures required “updating.”

5 157. Following publication of this current report, on May 24, 2021 SRAC’s
6 stock closed at \$10.42 per share, 13.4% lower as compared to its previous day
7 closing price. SRAC’s stock continued to fall in the next trading session, closing
8 May 25, 2021 at a price of \$10.17 per share, representing a total loss of 15.5% since
9 publication of the current report.

10 **F. June 29, 2021 Disclosures Regarding Failed Technology Test And**
11 **National Security Issues**

12 158. On June 29, 2021 after the close of stock market trading SRAC
13 publicly filed with the SEC an amended Registration Statement on Form S-4/A.

14 159. The amended Registration Statement contained partial corrective
15 disclosures relating to Momentus’s unproven technology. The amended Registration
16 Statement disclosed that “the technology underlying [Momentus’s] anticipated
17 service offerings (including its water plasma propulsion technology) is still in the
18 process of being developed and has not been fully tested or validated in space and
19 may never have the capabilities or functionality in space that Momentus currently
20 expects.”

21 160. More specifically, the amended Registration Statement admitted that
22 Momentus’s sole in space test had not met its objectives and had encountered
23 serious operational problems:

24 Our first-generation X-band thruster, which operates at 30 Watts, was
25 flown aboard a demonstration mission called El Camino Real in mid-
26 2019. During this mission, Momentus launched its first MET into
27 space as a hosted payload on a nanosatellite. The mission’s objective
28 was to demonstrate the MET’s ability to produce water plasma in
space by performing 100 one-minute firings. The MET was
instrumented with temperature, pressure and RF reflected power

Formatted: _Pld Footer Adjustment

1 sensors to infer the presence of water plasma, which if detected,
2 would indicate that the water propellant was flowing into the thrust
3 chamber and radio frequency energy was being absorbed by the water.
4 Failure of the host satellite in November 2019 prematurely terminated
5 the demonstration after only 23 of the planned 100 firings of the
6 thruster had been performed including 12 hot firings with microwave
7 power turned on and 11 cold firings with the microwave turned off.
8 While a pump issue significantly restricted flow of water into the
9 thruster during nine of the 12 hot firings, preventing plasma-
10 generation, the three hot firings that did have water present were
11 found to have produced plasma.

12 161. The amended Registration Statement also contained partial corrective
13 disclosures, and revealed the further materialization of concealed risks, relating to
14 the federal government's national security concerns surrounding Defendant
15 Kokorich. For example, the amended Registration Statement disclosed that:

16 On June 8, 2021, CFIUS' review of the joint notice relating to
17 historical acquisitions of interests in Momentus by Mr. Kokorich, his
18 wife, and entities that they control concluded when the Company
19 entered into a National Security Agreement with Mr. Kokorich, on
20 behalf of himself and Nortrone Finance S.A. (an entity controlled by
21 Mr. Kokorich), Lev Khasis and Olga Khasis, each in their respective
22 individual capacities and on behalf of Brainyspace LLC (an entity
23 controlled by Olga Khasis), and the U.S. government, represented by
24 the U.S. Departments of Defense and the Treasury (the 'NSA'). In
25 accordance with the NSA, on June 8, 2021, Mr. Kokorich, Nortrone
26 Finance S.A., Lev Khasis and his wife Olga Khasis, and Brainyspace
27 LLC fully divested all the equity interests in Momentus owned or
28 beneficially owned by them by selling such equity interests to
Momentus. The NSA also establishes various requirements and
restrictions on Momentus in order to protect national security, certain
of which may materially and adversely affect the operating results of
Momentus due to uncertainty associated with and the cost of
compliance with security measures, and limitations on Momentus'
control over certain U.S. facilities, contracts, personnel, vendor
selection and operations.

Formatted: Header

1 162. The amended Registration Statement revealed that Momentus would
2 have to pay Defendant Kokorich, Lev Khasis, and their affiliates, \$50 million in
3 exchange for the repurchase of their interests in Momentus.

4 163. The amended Registration Statement revealed that Momentus’s
5 National Security Agreement with the U.S. government imposed onerous and
6 expensive requirements on Momentus, including that:

7 Under the NSA, we are required to hire and pay for the costs of a full
8 time Security Officer who will be responsible for overseeing
9 compliance with the NSA, an independent third-party monitor to
10 monitor compliance with the NSA by the parties to the NSA, as well
11 as an independent third-party auditor to regularly audit our
12 compliance with the NSA. We are also required to establish: (i) a
13 security plan to safeguard protected technical information, systems
14 and facilities; (ii) a board-level Security Committee to oversee the
15 development and implementation of policies and procedures to
16 safeguard protected technical information, systems and facilities and
17 to exercise appropriate oversight and monitoring of Momentus’
18 operations to ensure that the protective measures contained in the
19 NSA are effectively maintained and implemented; (iii) an audit plan;
20 and (iv) a communications plan. We are also required to provide
detailed and frequent reports to the third-party monitor. We will incur
substantial costs to implement these and other requirements under the
NSA, and we expect that substantial personnel time will need to be
devoted to implement and comply with these requirements . . . These
costs, requirements and restrictions may materially and adversely
affect our operating results.

21 164. The amended Registration Statement revealed that, prior to the
22 divestment by Kokorich, Khasis, and their affiliates, “the Federal Aviation
23 Administration . . . recently denied one of our payload review applications due to
24 interagency concerns related to our foreign ownership and corporate structure.”
25 Defendants similarly disclosed that “on May 10, 2021 . . . Momentus received a
26 letter from the FAA denying Momentus’ application for a payload review for the
27 planned June 2021 launch based on the FAA’s finding that its launch would
28 jeopardize U.S. national security.”

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

Formatted: Header

1 165. The amended Registration Statement revealed further delays to
2 Momentum's anticipated launch schedule:

3 Our first launch with customers is currently anticipated to occur in
4 June 2022, subject to receipt of licenses and other government
5 approvals and availability of slots on our launch provider's manifests.
6 Prior planned launches were cancelled due to not receiving required
7 licenses and other governmental approvals and other factors, and we
8 can offer no assurances that our first launch will occur in June 2022.

9 And Defendants similarly admitted that "Momentum now anticipates sending its first
10 two Vigoride vehicles into space in June 2022 . . . approximately 18 months later
11 than had been contemplated at the time of our initial merger announcement."

12 166. Defendants further admitted in the amended Registration Statement that
13 the national security concerns and resulting delays had led customers to abandon
14 Momentum:

15 If we do not receive [government] approvals in a timely manner, our
16 financial condition, results of operations, backlog and prospects will
17 be materially adversely affected. For example, we have experienced
18 erosion in our backlog of \$86 million as of March 4, 2021 to \$66
19 million as of June 11, 2021 as customers chose to cancel their
20 contracts with us and seek alternative providers due to delays in our
21 scheduled missions as we await receipt of necessary governmental
22 approvals.

23 167. The amended Registration Statement revealed that SRAC and
24 Momentum had amended their merger agreement, to reflect the fact that Momentum
25 was only half as valuable as Defendants had previously represented to public
26 investors:

27 On June 29, 2021, SRAC, Momentum and the other parties to the
28 Merger Agreement entered into an amendment to the Merger
Agreement to, among other things, reduce the enterprise valuation of
Momentum from \$1.131 billion to \$566.6 million due to regulatory
delays which have resulted in delays in the closing of the Business
Combination and Momentum's launch schedule. As a result of these
delays, Momentum has updated its financial projections.

Formatted: _Pld Footer Adjustment

Formatted: Header

1 168. The amended Registration Statement disclosed dramatic downward
2 revisions to Momentus’s prior revenue projections. For example, Defendants now
3 admitted Momentus had no revenue in 2020, projected no revenue for 2021, and
4 projected only \$5 million in revenue for 2022, in addition to dramatic downward
5 revisions in all later years as well. Defendants admitted, “[i]n general, projected
6 revenue and gross profits have shifted forward by 18 months.”

7 169. The amended Registration Statement admitted that Momentus’s
8 revenue projections “are based on assumptions about Momentus’ ability to fully
9 develop, test and validate its technology in space, including its water plasma
10 propulsion technology, and assumes that Momentus can obtain the necessary
11 licenses and regulatory approvals from the U.S. government for its missions on a
12 timely basis.”

13 170. The amended Registration Statement further admitted that, “Momentus
14 has incurred significant losses since inception, it expects to incur losses in the future
15 and it may not be able to achieve or maintain profitability.”

16 171. Finally, the amended Registration Statement admitted regarding the
17 ongoing SEC investigation:

18 On January 24, 2021, the Company received a subpoena from the
19 Division of Enforcement of the U.S. Securities and Exchange
20 Commission . . . requesting documents regarding the Registration
21 Statement . . . filed by SRAC in connection with the Business
22 Combination. Most recently, the Company has entered into settlement
23 discussions with the Division of Enforcement in an effort to resolve a
24 potential enforcement action.

25 172. Following publication of the amended Registration Statement, on June
26 30, 2021 SRAC’s stock closed at \$13.97 per share, 4.7% higher as compared to its
27
28

Formatted: _Pld Footer Adjustment

1 previous day closing price.⁶ However, this increase occurred because on June 29,
2 2021 Defendants simultaneously released news that was positive for SRAC's public
3 shareholders, in addition to the above described negative news in the form of
4 corrective disclosures and materialization of concealed risks.

5 173. The June 30, 2021 increase in stock price was caused by the revised
6 deal terms announced on June 29. SRAC's public investors now stood to obtain a
7 19.4% interest in Momentus following the proposed merger, whereas previously
8 they would only have obtained a 12.5% interest. This 55.2% increase in the interest
9 to be received by SRAC's public stockholders should have, all else being equal,
10 resulted in a commensurate increase in SRAC's publicly traded stock price. That
11 SRAC's stock price increased by only 4.7% shows the market's severe negative
12 reaction to the June 29 revelations regarding Momentus's technology, national
13 security related risks, and downward revision of Momentus's financial projections.

14 **G. July 13, 2021 Publication Of The SEC Order And SEC Complaint**

15 174. On July 13, 2021, the SEC published the SEC Order, publicly filed the
16 SEC Complaint, and issued a related press release.

17 175. As detailed above in Section V, the SEC Order and the SEC Complaint
18 revealed material additional facts, not previously disclosed, regarding Momentus's
19 unproven technology, Defendant Kokorich's national security risks, and SRAC's
20 deficient due diligence, which corrected Defendants' prior false and misleading
21 statements and omissions.

22 176. Furthermore, by revealing the grave deficiencies in SRAC's due
23 diligence process, the SEC revealed to the market that there was an elevated risk
24

25 ⁶ For the avoidance of doubt, Plaintiff does not claim to have suffered an out of
26 pocket economic loss on June 30, 2021, but rather alleges the facts in this Section
27 VII.F in order to show Defendants' June 29, 2021 admissions and the market's
28 strongly negative reaction to those admissions.

Formatted: Header

Formatted: @Normal

Formatted: _Pld Footer Adjustment

Formatted: Header

1 that other material, undisclosed problems existed at Momentus, that SRAC's
2 deficient due diligence had failed to discover.

3 177. In addition, the SEC Order and the SEC Complaint were the further
4 materialization of the risks concealed from investors by Defendants. Defendants'
5 own false statements had created the risk that regulatory action would be taken
6 against them, and would adversely affect the future prospects of SRAC and
7 Momentus through, *inter alia*, penalties, additional compliance burdens, and
8 reputational damage.

9 178. Among the requirements of the SEC Order, consented to by Defendants
10 Momentus, SRAC, the Sponsor, and Kabot, were that: (i) SRAC shall pay a \$1
11 million penalty, (ii) Kabot shall pay a \$40,000 penalty, (iii) Momentus shall a \$7
12 million penalty, (iv) each of Momentus, SRAC, the Sponsor, and Kabot shall
13 cooperate with SEC interviews in any related proceedings, (v) Momentus shall
14 create an independent board committee to ensure compliance with the SEC order
15 and implement disclosure controls, (vi) Momentus shall retain and pay for an
16 independent compliance consultant approved by the SEC, who will conduct
17 comprehensive ethics and compliance reviews, (vii) Momentus shall adopt and
18 implement all recommendations of the independent compliance consultant, (viii)
19 Momentus and SRAC shall allow certain private placement investors to terminate
20 their investment agreements, and (ix) the Sponsor shall forego 250,000 founder
21 shares in SRAC to which it was otherwise entitled.

22 179. Following the publication of the SEC Order and the SEC Complaint, on
23 July 14, 2021 SRAC's stock closed at \$10.66 per share, 10.3% lower as compared to
24 its previous day closing price. SRAC's stock continued to fall in the next trading
25 session, closing July 15, 2021 at a price of \$10.38 per share, representing a total loss
26 of 12.6% since publication of the SEC Order and SEC Complaint.

27

28

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

VIII. DEFENDANTS MADE MATERIALLY FALSE AND MISLEADING STATEMENTS.

A. Misleading Pre-Class Period Public Statements

180. In several pre-Class Period public statements, available to public investors during the Class Period, Defendants claimed that Momentus’s water plasma propulsion system had been successfully tested in space, and that its commercial viability had been demonstrated by this in space test.

181. Momentus, through its launch partner Astro Digital US, Inc., publicly filed a report with the Federal Communications Commission dated September 11, 2018, relating to Momentus’s planned initial in space test mission. In connection with that submission, Momentus and Astro Digital publicly filed a document titled “Form 442, Technical Question 6 Response,” which stated under the heading “Mission Summary”:

The Momentus X1 microwave electrothermal thruster (MET) spacecraft mission is a commercial demonstration of a propulsion system to exhibit its applicability to small spacecraft . . . The mission will demonstrate the reliability, longevity, performance, and utility of the microwave-based plasma propulsion system, which utilizes water as a propellant. A propulsion system suitable for 16U CubeSat vehicles or larger that is cost-effective enables more orbital maneuverability for a large class of space vehicles. Areas where this could be of benefit include orbital debris removal missions, collision avoidance, beyond-LEO missions, and smallsat deorbiting.

182. The same document, under the heading “Specific objectives of the Research Project,” stated:

The research objectives of this project are: . . . To demonstrate that microwave electrothermal thrusters provide cost-effective high delta V capability to SmallSats via orbital maneuvering. This mission will show that this particular system is mature enough to be used by the small satellite market, and can be quickly and easily integrated with CubeSats as well as larger, more capable spacecraft. This provides an immediate low-cost mechanism for a wide range of space vehicles to integrate with a low risk profile.

Formatted: Header

Moved up [1]: Kokorich

Formatted: Font: Italic

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Deleted: are collectively referred to hereinafter as the “Individual Defendants.” Because of the Individual Defendants’ executive positions, they each had access to the undisclosed adverse information about Stable Road’s and Momentus’s business, operations, products, and present and future business prospects via internal corporate documents, conversations and connections with other corporate officers and employees, and attendance at management and Board of Directors meetings and committees thereof.

13. Each of the Individual Defendants was directly involved in the management and day-to-day operations of the Company and/or Momentus at the highest levels and was privy to confidential proprietary information concerning Stable Road and Momentus. In addition, the Individual Defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware of, or recklessly disregarded, the false and misleading statements being issued regarding the Company and Momentus, and approved or ratified these statements, in violation of the federal securities laws.

14. The Individual Defendants, because of their positions of control and authority as officers and/or directors of the Company and Momentus, were able to, and did, control the content of the various SEC filings, press releases, and other public statements pertaining to the Company and Momentus during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading before or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or cause them to be corrected. Accordingly, each Individual Defendant is responsible for the accuracy of the public statements detailed herein and is, therefore, primarily liable for the representations contained therein.

SUBSTANTIVE ALLEGATIONS

15. Stable Road is a blank check company. A blank check company is sometimes referred to as a special purpose acquisition vehicle, or “SPAC,” and does not initially have any operations or business of its own. Rather, it raises money from investors in an initial public offering and then uses the proceeds from the offering to acquire a business or operational assets, usually from a private company that does not publicly report financial or operating results. As a result, investors in blank check companies rely on the skill, transparency and honesty of the blank check company’s sponsor to spend the offering proceeds to acquire a fundamentally sound target company that offers attractive risk-adjusted returns for investors.

16. In November 2019, the Sponsor and defendants Kabot and Norris took Stable Road public via an initial public offering (the “IPO”). While Stable Road did not identify any target companies at the time of the IPO, the IPO offering materials stated that the Company planned to pursue an acquisition focused in the cannabis sector. IPO offering materials claimed that the Sponsor and Stable Road management, including defendants Kabot and Norris, would “[c]onduct rigorous due diligence” of any target possibilities, “including a review of company-specific information as well as an analysis of the overall industry and competitive landscape.”

Formatted: All caps

Deleted: AND OMISSION ISSUED DURING THE CLASS PERIOD
21.

Formatted: All caps

Deleted: 21.

Formatted: _Pld Footer Adjustment

1
2 183. In a January 14, 2019 blog post on the Momentus website discussing
3 this initial in space test flight, Momentus claimed:

4 The purpose of El Camino Real will be to flight demonstrate our core
5 propulsion technology so customers, investors, and stakeholders can
6 have absolute confidence that when they sign up for a Momentus
7 Space service, it will be on time, safe and reliable. We will be flying
8 our high performance X-Band (10 GHz)microwave electrothermal
9 thruster with enough water propellant that we will be able to run the
10 thruster long enough to fully characterize its performance in space
11 with dozens of stop start cycles and then safely de-orbit the vehicle.

12 184. In a September 25, 2019 article titled “Momentus reports success in
13 testing water plasma propulsion,” published by the space industry publication Space
14 News, Defendant Kokorich is quoted as stating:

15 The on-orbit testing has demonstrated for the first time that
16 microwave electrothermal plasma technology has the potential to
17 achieve high specific impulse using water propellant . . . Water
18 plasma propulsion is now technologically mature enough to be
19 baselined for operational in-space transportation missions.

20 185. The article further quoted Defendant Kokorich as stating, “[t]he
21 purpose of the El Camino Real mission was to flight demonstrate our core
22 propulsion technology so customers, investors and stakeholders can have absolute
23 confidence that Momentus will deliver their payloads to a given orbit.”

24 186. These statements, combined with Defendants’ Class Period public
25 statements touting the “successful” in space test of Momentus’s technology,
26 materially misled investors regarding the purposes and results of Momentus’s one
27 and only in space test. As detailed in Section V.B, *supra*, Momentus’s only in space
28 test was a failure, and it was not designed to demonstrate, and was not capable of
demonstrating, the commercial viability of Momentus’s technology.

B. October 7, 2020 Merger Agreement Announcement

187. The Class Period begins on October 7, 2020, when Defendants announced the proposed merger between SRAC and Momentus in communications including: (i) a joint press release from SRAC and Momentus, (ii) an investor presentation prepared by Momentus and filed with the SEC by SRAC, (iii) a conference call with Defendants Kabot and Kokorich participating, the script for which was filed with the SEC by SRAC, and (iv) a televised interview with Defendant Kabot on CNBC, the transcript of which was filed with the SEC by SRAC. SRAC filed these documents with the SEC as exhibits to current reports signed by Defendant Kabot.

1. National Security Risks

188. The joint press release from SRAC and Momentus stated “The Company plans to launch its first Vigoride vehicle in December 2020 with commercial customers and four to five Vigorides in 2021.”

189. The investor presentation presented a timeline under the heading “First Mover with Rapid Progress To Date,” forecasting four launches by the end of 2021.

190. In the television interview, Defendant Kabot stated regarding Momentus’s launch schedule:

Our first commercial launch will be in December 2020 with SpaceX. We have a pretty full vehicle of satellites to deliver. And then we have a phenomenal launch cadence for 2021 going up with SpaceX in February, June, and December 2021. We actually have one and a half vehicles already booked for December 2021. So pretty aggressive launch cadence with SpaceX.

191. The conference call script quotes Defendant Kokorich as saying “I am the Founder and CEO of Momentus . . . We are a first mover in offering space transportation and infrastructure services, powered by our groundbreaking water plasma propulsion technology.” The conference call script further quotes Defendant

Formatted: Header

Deleted: On that date, Stable Road and Momentus issued

Deleted: announcing that the Company had agreed to acquire Momentus in a proposed merger, subject to shareholder approval (the “Merger”). Although outside of Stable Road’s claimed target industry, the from SRA

Formatted: _2.0sp 0.5", Indent: Left: 0.5", Right: 0.6"

Moved (insertion) [2]

Deleted: stated that the Merger would “create the first publicly traded spaceThe conference call script quotes Defendant Kokorich

Deleted: company at the forefront of the new space economy.” The services, powered by our groundbreaking water plasma

Formatted: _Pld Footer Adjustment

1 Kokorich as saying that Momentus “will be conducting our first flight with
2 customers in December 2020.”

3 192. The joint press release from SRAC and Momentus quoted Defendant
4 Kokorich as stating, “Momentus is at the forefront of the new space economy and is
5 poised to capitalize on the significant growth opportunity as a first mover.” The
6 press release further quoted Defendant Kokorich as stating “[w]e expect to deploy
7 the proceeds of this transaction to support our rapid growth and operations, and to
8 support our capital needs as we ramp up revenues.”

9 193. The joint press release from SRAC and Momentus quoted Defendant
10 Kabot as stating “As the only public, pure-play commercial space company capable
11 of revolutionizing space infrastructure, Momentus is poised to capitalize on its
12 market-defining position.”

13 194. The investor presentation stated “Exceptional Team Led By Visionary
14 Founder,” prominently featuring a picture of Defendant Kokorich, who it described
15 as a “Visionary space entrepreneur and innovator,” and who it identified as
16 Momentus’s CEO and founder. The presentation also stated under the heading
17 “Momentus Opportunity,” “Well-seasoned team with experience in aerospace,
18 propulsion and robotics piloted by visionary leader and innovator,” in reference to
19 Defendant Kokorich.

20 195. The conference call script quotes Defendant Kabot as stating, “[w]ith
21 its visionary founder, highly experienced management team, progress to date and
22 significant commercial traction, Momentus is set to revolutionize and enable the
23 future of the space economy.”

24 196. The statements in ¶¶188-95 were materially false and/or misleading
25 when made and/or omitted to state material facts necessary to make the statements
26 not misleading, because they failed to disclose, among other things, the adverse
27 facts detailed in Section V.A, supra, regarding national security risks pertaining to
28 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the

Formatted: Header

Deleted: also stated that “[i]n 2019, the Company successfully tested its water plasma propulsion technology in space.” The release quoted defendants Kokorich and Kabot regarding the Merger, stating in pertinent part as follows:

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: ; we believe in a future where humanity is equipped with all it needs to flourish throughout the solar system,” said Mikhail Kokorich, Founder & Chief Executive Officer of Momentus. “Our mission is to provide the infrastructure services that support all industry beyond Earth. The technologies we’ve developed or built upon, including our .

Formatted: _Pld Footer Adjustment

1 federal government would significantly restrict Momentus’s operations so long as
2 Kokorich remained an officer or shareholder, and likewise made it highly unlikely
3 that the federal government would grant Momentus the approvals necessary to
4 achieve its advertised launch schedule.

5 197. In addition, the statements of SRAC and Defendant Kabot in ¶¶188-95
6 were materially false and/or misleading when made and/or omitted to state material
7 facts necessary to make the statements not misleading, because they failed to
8 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
9 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
10 SRAC and Defendant Kabot had not performed adequate due diligence on
11 Kokorich’s national security risks, their statements regarding his continued
12 involvement with Momentus and regarding Momentus’s planned launch schedule
13 lacked any reasonable basis and so were materially misleading.

14 **2. Momentus’s Technology**

15 198. The investor presentation under the heading “Company Overview,”
16 stated, “Groundbreaking water propulsion technology that significantly reduces
17 costs and is reusable,” and “Successfully tested water based propulsion technology
18 on a demo flight launched mid-2019 – is still operational today.”

19 199. In the television interview, Defendant Kabot stated “we had a very
20 successful test launch, the vehicle is still flying around in space, which is great.”

21 200. The joint press release from SRAC and Momentus stated “Momentus
22 offers its customers significantly more affordable access to space by combining the
23 capabilities of low-cost launch vehicles and Momentus’ transport and service
24 vehicles, powered by water plasma propulsion technology . . . In 2019, the Company
25 successfully tested its water plasma propulsion technology in space.”

26 201. The investor presentation presented a timeline under the heading “First
27 Mover with Rapid Progress To Date,” reflecting the “El Camino test flight” in 2019.
28

1 202. The investor presentation presented a slide titled “Cornerstone Water
2 Propulsion Innovation” which stated “High ISP . . . 2 to 5 times any chemical
3 propulsion system” and “High thrust . . . 10 times higher than most electric
4 propulsion.”

5 203. The joint press release from SRAC and Momentus quoted Defendant*
6 Kokorich as stating, “The technologies we’ve developed or built upon, including our
7 groundbreaking water plasma propulsion, will support growing demand from the
8 booming satellite industry with affordable, versatile and low risk transportation and
9 infrastructure services.”

10 204. The conference call script quotes Defendant Kokorich as saying, “We
11 are building upon last year’s successful in-space test of our water plasma propulsion
12 and will be conducting our first flight with customers in December 2020.” The script
13 also quotes Defendant Kokorich as stating, “We are a first mover in offering space
14 transportation and infrastructure services, powered by our groundbreaking water
15 plasma propulsion technology.” The script further quotes Defendant Kokorich
16 stating:

At the heart of our vehicles is our groundbreaking water plasma
propulsion technology, which uses simple water as a propellant. Our
system was designed to be safe, inexpensive and offer an excellent
mix of thrust and efficiency. Our thruster is more efficient than
conventional chemical propulsion and has higher thrust than electric
propulsion, such as Hall-effect thrusters.

17 205. The statements in ¶¶198-204 were materially false and/or misleading
18 when made and/or omitted to state material facts necessary to make the statements
19 not misleading, because they failed to disclose, among other things, the adverse
20 facts detailed in Section V.B, supra, regarding Momentus’s in space test failure.
21 These undisclosed adverse facts directly contradicted Defendants’ claims to have
22 successfully tested Momentus’s technology in space, and rendered Defendants’
23 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’
24 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’
25 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’
26 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’
27 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’
28 claims to have successfully tested Momentus’s technology in space, and rendered Defendants’

Formatted: Header

Formatted: .20sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: across private companies, government agencies, and research organizations. We expect to deploy the proceeds of this transaction to support our rapid growth and operations, and to support our capital needs as we ramp up revenues. We are excited to partner with the Stable Road team and look forward to leveraging their capital markets expertise.

Deleted: Brian Kabot, Chairman & Chief Executive Officer of Stable Road added, “We set out to identify a disruptive company and Momentus was the most unique and compelling opportunity to create value through our investment, as we believe the Company is primed to be a leader in the rapidly growing new space economy. As the only public, pure-play commercial space company capable of revolutionizing space infrastructure, Momentus is poised to capitalize on its market-defining position. We are excited to partner with Momentus as the Company develops its technology portfolio, continues to leverage deep customer relationships across diverse private and public sector applications, and expands its experienced leadership team.”

22. Also on October 7, 2020, defendant Kabot appeared on CNBC to promote the Merger. In an interview, defendant Kabot stated:
We have a, we had a very successful test launch, the vehicle is still flying around in space, which is great. Our first commercial launch will be in December 2020 with Space. W

Moved up [2]: We have a pretty full vehicle of satellites to deliver. And then we have a phenomenal launch cadence for 2021 going up with SpaceX in February, June, and December 2021. We actually have one and a half vehicles already booked for December 2021. So pretty aggressive launch cadence with SpaceX.

Deleted: 23. On October 13, 2020, Stable Road filed with the SEC on Form 8-K an investor presentationThe conference call script

Deleted: the Merger.

Formatted: _Pld Footer Adjustment

1 statements about the properties and commercial readiness of this technology
2 materially misleading.

3 206. In addition, the statements of SRAC and Defendant Kabot in ¶¶198-
4 204 were materially false and/or misleading when made and/or omitted to state
5 material facts necessary to make the statements not misleading, because they failed
6 to disclose, among other things, the adverse facts detailed in Section V.D, supra,
7 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
8 SRAC and Defendant Kabot had not performed adequate due diligence on the El
9 Camino Real mission, their statements regarding the results of this mission and the
10 commercial readiness of Momentus’s technology lacked any reasonable basis and so
11 were materially misleading.

12 **3. Financial Projections**

13 207. The investor presentation stated under the heading “Transaction
14 Highlights,” “No additional capital needs expected prior to achieving profitability.”

15 208. The joint press release from SRAC and Momentus stated “As of
16 September 30, 2020, the Company had customer contracts which represent
17 approximately \$90 million in potential revenue over the next several years.”

18 209. The investor presentation contained a slide titled “Significant Customer
19 Traction and Expected Demand,” which stated “Signed Contracts >\$90M.”

20 210. In the television interview, the interviewer asked “I read that the
21 company has contracts for \$90 million in potential revenue – I should not, potential
22 – over the next several of years, what kind of risk is involved in those kind of
23 forecasts?” Defendant Kabot responded “That \$90 million is fully contracted and
24 then a portion are options that are written into the agreements.”

25 211. The joint press release from SRAC and Momentus stated “Combined
26 company will have an estimated enterprise value of approximately \$1.2 billion”

27 //
28 //

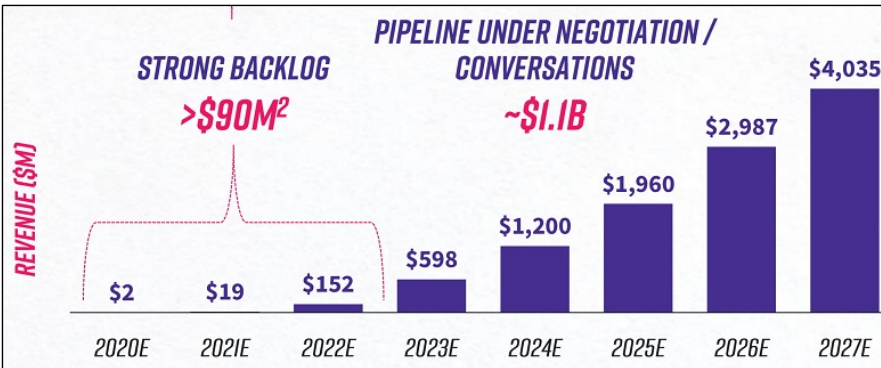
Formatted: Header

Deleted: that Momentus had an

Deleted: and stated that its “Groundbreaking Water Propulsion Technology” had been “[s]uccessfully tested . . . on a demo flight launched mid-2019.” The ”

Formatted: _Pld Footer Adjustment

212. The investor presentation contained the following revenue projections:



213. The investor presentation repeated these revenue projections under the heading “Clear Path to Profitability and >\$1B in EBITDA.”

214. The conference call script quotes Defendant Kokorich as stating that “we believe that our financial projections assume a conservative market capture.” and further stating:

Commercially, we have seen strong market traction. Our customers include defense primes such as Lockheed Martin, government agencies such as NASA, and dozens of small satellite manufacturers and operators. Our backlog encompasses the initial and early deployment of our customers’ constellations, and we expect our backlog with existing customers will grow by many multiples as we plan to serve the rollout of our customers’ constellations. We have several substantial opportunities currently in negotiation or in discussions, worth more than \$1 billion of additional potential revenue.

We expect good margin expansion over the next few years and we are projecting that we will be profitable by 2023 and operating at or near run-rate margins by 2025. On a run rate basis, we expect gross margins of around 70%, and EBITDA margins of 60%.

215. The statements in ¶¶207-14 were materially false and/or misleading when made and/or omitted to state material facts necessary to make the statements

Formatted: Header

Deleted: also highlighted the “Exceptional Team”

Formatted: _2.0sp 0.5", Indent: Left: 0.5", Right: 0.6"

Deleted: Momentus led by the company’s “Visionary Founder,” defendant Kokorich, or near run-rate margins by

Deleted: 24. On

Formatted: _Pld Footer Adjustment

Formatted: Header

1 not misleading, because they failed to disclose, among other things, the adverse
2 facts detailed in Section V.C, *supra*, regarding financial projections. The
3 undisclosed adverse facts regarding Kokorich’s national security risks and
4 Momentum’s failed in space test made the assumptions underlying the financial
5 projections and related metrics unreasonable, and made it highly unlikely that these
6 projections and related metrics would be achieved.

7 216. In addition, the statements of SRAC and Defendant Kabot in ¶¶207-14
8 were materially false and/or misleading when made and/or omitted to state material
9 facts necessary to make the statements not misleading, because they failed to
10 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
11 regarding SRAC’s failure to perform adequate due diligence on Momentum. Because
12 SRAC and Defendant Kabot had not performed adequate due diligence on
13 Kokorich’s national security risks or the El Camino Real mission, their statements
14 regarding financial projections and related metrics for Momentum, which depended
15 on key assumptions regarding Momentum’s launch schedule and technology, lacked
16 any reasonable basis and so were materially misleading.

17 **4. Due Diligence**

18 217. In the television interview, the interviewer asked, “Speaking of SPACs
19 right, I came into this segment saying blank check bonanza, SPAC-a-palooza . . .
20 I’m wondering what you make of it and whether you think there’s just too many.”
21 Defendant Kabot responded:

22 I think it’s very healthy, right . . . And what I think is great for the
23 investor is we did four months of due diligence. We spent a lot of
24 money with some of the top service providers out there from Stellar
25 Solutions to Kirkland and Ellis, from Orrick to Evercore to cantor
26 completing our underwriting, right, we did four months of due
27 diligence, which in a traditional ipo you would never have the
28 opportunity to do, so I think SPACs are very healthy for the market.

Formatted: _Pld Footer Adjustment

1 218. The statements of SRAC and Defendant Kabot in ¶217 were materially
2 false and/or misleading when made and/or omitted to state material facts necessary
3 to make the statements not misleading, because they failed to disclose, among other
4 things, the adverse facts detailed in Section V.D, *supra*, regarding SRAC’s failure to
5 perform adequate due diligence on Momentus. Because SRAC and Defendant Kabot
6 had not performed adequate due diligence on Momentus, their statements touting
7 their due diligence process were materially misleading.

8 **C. October 13, 2020 Updated Investor Presentation**

9 219. On October 13, 2020, SRAC filed with the SEC a current report on
10 Form 8-K, signed by Defendant Kabot, which contained as an exhibit an updated
11 version of the investor presentation filed by SRAC on October 7, 2020.

12 220. The false and misleading statements and omissions contained in this
13 updated investor presentation were identical or substantially similar to the false and
14 misleading statements and omissions contained in the previously published investor
15 presentation as detailed in Section VIII.B, *supra*, and were false and misleading for
16 the same reasons detailed Sections VIII.B and V.

17 **D. November 2, 2020 Registration Statement**

18 221. On November 2, 2020, SRAC filed a registration statement on Form S-
19 4 with the SEC seeking shareholder approval of the merger. The registration
20 statement was signed by Defendant Kabot, Defendant Norris, and by each member
21 of SRAC’s board of directors including Defendant Hofmockel. The registration
22 statement incorporated information about Momentus that was supplied to SRAC by
23 Momentus and the Momentus Individual Defendants.

24 **1. National Security Risks**

25 222. The registration statement stated that, “[u]pon the consummation of the
26 Business Combination, the Company’s co-founder, Mr. Kokorich, will serve as
27 Chief Executive Officer and a director of the Combined Company.” The registration
28

Formatted: Header

Deleted: , Stable Road

Formatted: Font: 14 pt

Deleted: with the SEC

Deleted: for shares to be issued in the Merger, which was signed by defendants Kabot and Norris, among others (“Registration Statement”). The Registration Statement highlighted Momentus’s “Valuable Intellectual Property,” and stated in pertinent part: “Since its founding in 2017, ...

Formatted: _Pld Footer Adjustment

Formatted: Header

1 statement further stated, “[w]e believe Mikhail Kokorich will play a vital role in
2 helping us achieve our goals and advance the interests of our stockholders,” and that
3 “[w]e believe that Mr. Kokorich is qualified to serve as a member of the board of
4 directors of the Combined Company because of his extensive professional
5 experience in the space technology industry and deep knowledge of the operations
6 of Momentus as our Chief Executive Officer.”

7 223. The registration statement stated that “[w]e plan to launch the first
8 iteration of our pioneer transport vehicle, Vigoride, in December 2020, followed by
9 five vehicles in 2021. All of our flights, beginning in December 2020, will have
10 paying customers onboard.” The registration statement similarly stated that
11 “Vigoride’s first commercial mission is planned to launch in December 2020,
12 followed by launches in April 2021, June 2021, and December 2021.”

13 224. The registration statement stated that, “restrictions on the ability of
14 foreign persons to invest in us could limit our ability to engage in strategic
15 transactions that could benefit our stockholders.”

16 225. The registration statement stated that “it is possible that Mr. Kokorich’s
17 controlling interests in the Company, or perceptions surrounding Mr. Khasis and his
18 affiliation with Sberbank, could make it more difficult to obtain CFIUS approval in
19 connection with future potential investments by the Company in U.S. businesses.”
20 The registration statement further stated that:

21 With respect to any investment by Momentus that is within CFIUS’s
22 jurisdiction . . . CFIUS could block the consummation of an
23 acquisition or investment within its jurisdiction or could order
24 divestiture after the transaction is completed. Recently, a number of
25 stockholders of a U.S. company, including Mr. Kokorich, divested
26 their interests in such company pursuant to an order by CFIUS.

27 226. Regarding Momentus’s application to the BIS for an export license to
28 provide its technology to Defendant Kokorich, the registration statement stated that:

Formatted: _Pld Footer Adjustment

1 We have been pursuing a BIS license since early 2018 to authorize the
2 deemed export of the Company's controlled technology to Mr.
3 Kokorich, but we have not yet been able to obtain such a license, and
4 there is no assurance we will ever be able to obtain such a license in
5 the future. If we continue to operate without such a license, Mr.
6 Kokorich will continue to be unable to access this controlled
7 technology for as long as he remains a non-US person. While we
8 believe that if the current restrictions on Mr. Kokorich's access to
9 controlled technology remain in place, we will be able to continue to
10 operate our business without any material adverse impact on us, it is
11 possible that these restrictions could in the future lead to
12 complications or other issues that may have a material adverse impact
13 on our operations.

14 227. Regarding Defendant Kokorich's immigration status, the registration
15 statement stated that:

16 Momentum's co-founder and Chief Executive Officer, Mikhail
17 Kokorich, who will be the Chief Executive Officer of the Combined
18 Company, is a citizen of the Russian Federation who is seeking
19 asylum in the United States and is authorized to work in the United
20 States while his asylum application is pending. While Momentum
21 believes Mr. Kokorich's application will be granted, if for any reason
22 it is not, he may not be able to remain in the United States, which
23 could make it difficult for him to perform his duties as Chief
24 Executive Officer and as a director of the Company and the Combined
25 Company, which would adversely impact us.

26 228. The statements in ¶¶222-27 were materially false and/or misleading
27 when made and/or omitted to state material facts necessary to make the statements
28 not misleading, because they failed to disclose, among other things, the adverse
facts detailed in Section V.A, supra, regarding national security risks pertaining to
Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
federal government would significantly restrict Momentum's operations so long as
Kokorich remained an officer or shareholder, and likewise made it highly unlikely
that the federal government would grant Momentum the approvals necessary to
achieve its advertised launch schedule.

Formatted: Header

1 229. In addition, the statements in ¶¶224-27 were materially false and/or
2 misleading when made because the risk warnings presented as mere hypothetical
3 risks adverse events that had already materialized; and the risk warnings failed to
4 disclose specific facts concerning regulatory actions involving Defendant Kokorich,
5 as detailed in Section V.A, supra, that were necessary for investors to understand
6 the magnitude and/or probability of the risks at issue.

7 230. In addition, the statements of SRAC and the SRAC Individual
8 Defendants in ¶¶222-27 were materially false and/or misleading when made and/or
9 omitted to state material facts necessary to make the statements not misleading,
10 because they failed to disclose, among other things, the adverse facts detailed in
11 Section V.D, supra, regarding SRAC’s failure to perform adequate due diligence on
12 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
13 adequate due diligence on Kokorich’s national security risks, their statements
14 regarding his continued involvement with Momentus, Momentus’s planned launch
15 schedule, and Momentus’s regulatory risks lacked any reasonable basis and so were
16 materially misleading.

17 **2. Momentus’s Technology**

18 231. The registration statement stated that, “Momentus has developed a
19 portfolio of technologies, including its cornerstone water plasma propulsion
20 technology, which it successfully tested in space in 2019.”

21 232. The registration statement stated that “[o]ur revolutionary water plasma
22 propulsion technology provides a unique competitive advantage for our vehicles and
23 services,” and that “[w]e view this technology as ground-breaking, as it can achieve
24 considerable propulsive thrust level while maintaining high ISP, which enables a
25 shorter duration of missions, an enhanced reach, and excellent payload mass ratio.”

26 233. The registration statement reproduced a slide from the
27 SRAC/Momentus investor presentations previously published on October 7, 2020
28 and October 13, 2020, which slide was titled “Cornerstone Water Propulsion

Deleted:

Deleted: Registration Statement also represented that Momentus was on track to achieve \$19 million in revenues during 2021, which was expected to rise to \$152 million in revenues by 2022 and over \$4 billion in revenues by 2027. Furthermore, although the Registration Statement registration statement

Formatted: _Pld Footer Adjustment

1 Innovation,” and which stated “High ISP . . . 2 to 5 times any chemical propulsion
2 system” and “High thrust . . . 10 times higher than most electric propulsion.”

3 234. The registration statement, under the heading “Competitive Advantage
4 Overview,” stated:

5 A key space-specific barrier to entry is flight heritage. Ultimately the
6 only way to assess the reliability of a product, such as satellites or
7 launch services, is by seeing a history of successful results, which in
8 turn influences insurance rates and customers’ perceptions. Therefore,
9 we believe that our status as a first mover will offer a substantial
competitive advantage as we continue to build flight heritage ahead of
competitors.

10 235. The statements in ¶¶231-34 were materially false and/or misleading
11 when made and/or omitted to state material facts necessary to make the statements
12 not misleading, because they failed to disclose, among other things, the adverse
13 facts detailed in Section V.B, supra, regarding Momentus’s in space test failure.
14 These undisclosed adverse facts directly contradicted Defendants’ claims to have
15 successfully tested Momentus’s technology in space, and rendered Defendants’
16 statements about the properties and commercial readiness of this technology
17 materially misleading.

18 236. In addition, the statements of SRAC and the SRAC Individual
19 Defendants in ¶¶231-34 were materially false and/or misleading when made and/or
20 omitted to state material facts necessary to make the statements not misleading,
21 because they failed to disclose, among other things, the adverse facts detailed in
22 Section V.D, supra, regarding SRAC’s failure to perform adequate due diligence on
23 Momentus, Because SRAC and the SRAC Individual Defendants had not performed
24 adequate due diligence on the El Camino Real mission, their statements regarding
25 the results of this mission and the commercial readiness of Momentus’s technology
26 lacked any reasonable basis and so were materially misleading.

Formatted: Header

Deleted: was

Formatted: _Pld Footer Adjustment

Formatted: Header

3. Financial Projections

237. The registration statement stated that, “The Combined Company will have an anticipated initial enterprise value of \$1.2 billion, implying a 1.0x multiple of 2025 projected EBITDA as Momentus’ operations are expected to achieve scale.”

238. The registration statement stated that, “we have received significant interest from a wide range of different customers across different satellite applications. Our current signed backlog (as of November 1, 2020) is worth approximately \$90 million in potential revenue and continues to increase, while our pipeline consists of approximately \$1.1 billion in potential contracts in negotiation or early conversations.”

239. The registration statement contained the following revenue projections:

Management Forecasted Financials⁽¹⁾

(\$ in millions)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Satellite Transportation Services ⁽¹⁾	\$ 2	\$ 19	\$ 122	\$ 435	\$ 852	\$ 1,089	\$ 1,453	\$ 1,717
Satellite as a Service ⁽¹⁾	—	—	30	153	319	721	1,192	1,650
In-Orbit Services ⁽¹⁾	—	—	—	10	29	150	343	669
Revenue⁽¹⁾	\$ 2	\$ 19	\$ 152	\$ 598	\$ 1,200	\$ 1,960	\$ 2,987	\$ 4,035
(%) Growth	NM	809%	718%	293%	101%	63%	52%	35%

240. The registration statement claimed that “in the view of Momentus’ management,” these projections “reflect[] to the best of management’s knowledge and reasonable belief at the time of preparation, the expected course of action and the expected future financial performance of Momentus as of the date of preparation.”

241. The statements in ¶¶237-40 were materially false and/or misleading when made and/or omitted to state material facts necessary to make the statements not misleading, because they failed to disclose, among other things, the adverse facts detailed in Section V.C, *supra*, regarding financial projections. The undisclosed adverse facts regarding Kokorich’s national security risks and Momentus’s failed in space test made the assumptions underlying the financial

Formatted: _Pld Footer Adjustment

Formatted: Header

1 projections and related metrics unreasonable, and made it highly unlikely that these
2 projections and related metrics would be achieved.

3 242. In addition, the statements of SRAC and the SRAC Individual
4 Defendants in ¶¶237-40 were materially false and/or misleading when made and/or
5 omitted to state material facts necessary to make the statements not misleading,
6 because they failed to disclose, among other things, the adverse facts detailed in
7 Section V.D, *supra*, regarding SRAC’s failure to perform adequate due diligence on
8 Momentum. Because SRAC and the SRAC Individual Defendants had not performed
9 adequate due diligence on Kokorich’s national security risks or the El Camino Real
10 mission, their statements regarding financial projections and related metrics for
11 Momentum, which depended on key assumptions regarding Momentum’s launch
12 schedule and technology, lacked any reasonable basis and so were materially
13 misleading.

14 **4. Due Diligence**

15 243. Regarding SRAC’s due diligence, the registration statement stated that:

16 During the period between the execution of the Confidentiality
17 Agreement and the execution of the Merger Agreement on October 7,
18 2020, SRAC and its advisors conducted extensive due diligence with
19 respect to Momentum’s financial model, customer base and customer
20 contracts, total addressable market, industry in which Momentum
21 operates, companies comparable to Momentum and aero-defense
22 companies with similar characteristics, technology solutions,
23 intellectual property and relationship with SpaceX. Momentum
24 provided representatives of SRAC and its advisors with, among other
25 materials in connection with SRAC’s diligence review, confidential
26 presentations reflecting an overview of Momentum’s business, as well
27 as financial forecasts and written responses to detailed business and
28 financial due diligence questions.

25 244. The registration statement further stated that, “[r]epresentatives of each
26 of SRAC and Momentum, as well as each of their advisors, met telephonically
27

Formatted: _Pld Footer Adjustment

1 several times throughout July, August and September 2020 to discuss disclosure
2 requests and responses in connection with SRAC’s diligence review.”

3 245. The registration statement further stated that, “[o]n September 1, 2020,
4 SRAC engaged Stellar Solutions to assist with technical due diligence, including
5 with respect to Momentus’ R&D strategy, vehicle development to date, testing
6 progress and competitive market positioning.” and that “[f]rom September 25, 2020
7 until signing on October 7, 2020, SRAC had multiple teleconferences and email
8 exchanges with representatives of K&E, Stellar Solutions, RSM and certain of its
9 other advisors regarding the results of their due diligence review of Momentus and
10 any outstanding areas of their due diligence review.”

11 246. The registration statement stated that in deciding to approve the merger
12 agreement, SRAC’s board of directors “considered the scope of the due diligence
13 investigation conducted by SRAC’s management and outside advisors and evaluated
14 the results thereof,” including “extensive meetings and calls with the Momentus
15 management team,” “review of materials related to Momentus made available by
16 Momentus, including . . . export control and security matters,” “review of financial
17 due diligence materials prepared by professional advisors,” “technical diligence by
18 a third party systems engineering service provider with significant experience in
19 system and subsystem design and propulsion technology,” and “discussions with
20 industry experts.”

21 247. The statements of SRAC and the SRAC Individual Defendants in
22 ¶¶243-46 were materially false and/or misleading when made and/or omitted to state
23 material facts necessary to make the statements not misleading, because they failed
24 to disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
25 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
26 SRAC and the SRAC Individual Defendants had not performed adequate due
27 diligence on Momentus, their statements touting their due diligence process were
28 materially misleading.

Formatted: Header

Deleted: a “foreign person”

Deleted: The Committee on Foreign Investment

Formatted: _Pld Footer Adjustment

Formatted: Header

E. November 17, 2020 Analyst Day Presentation

248. On November 17, 2020, SRAC filed with the SEC a current report on Form 8-K, signed by Defendant Kabot, which contained as an exhibit an “analyst day” presentation which was substantially similar to the investor presentations previously filed by SRAC on October 7, 2020 and October 13, 2020.

249. The false and misleading statements and omissions contained in this analyst day presentation were identical or substantially similar to the false and misleading statements and omissions contained in the previously published investor presentations (with the exception that the November 17, 2020 analyst day presentation omitted the “Transaction Highlights” slide) as detailed in Section VIII.B, *supra*, and were false and misleading for the same reasons detailed Sections VIII.B and V.

F. December 14, 2020 Amended Registration Statement And Updated Investor Presentation

250. On December 14, 2020, SRAC filed with the SEC a current report on Form 8-K, signed by Defendant Kabot, which contained an updated investor presentation which was substantially similar to the investor presentations previously filed by SRAC on October 7, 2020 and October 13, 2020, and to the analyst day presentation previously filed by SRAC on November 17, 2020.

251. The false and misleading statements and omissions contained in this updated investor presentation were identical or substantially similar to the false and misleading statements and omissions contained in the previously published investor presentations as detailed in Section VIII.B, *supra*, and were false and misleading for the same reasons detailed Sections VIII.B and V.

252. On December 14, 2020, SRAC also filed an amended registration statement on Form S-4/A with the SEC seeking shareholder approval of the merger. The amended registration statement was signed by Defendant Kabot and Defendant Norris, and by Defendant Kabot as attorney-in-fact for each member of SRAC’s

Formatted: _Pld Footer Adjustment

1 board of directors including Defendant Hofmockel. The amended registration
2 statement incorporated information about Momentus that was supplied to SRAC by
3 Momentus and the Momentus Individual Defendants. The amended registration
4 statement was substantially similar to the version previously filed by SRAC on
5 November 2, 2020.

6 253. The false and misleading statements and omissions contained in this
7 amended registration statement were identical or substantially similar to the false
8 and misleading statements and omissions contained in the previously published
9 registration statement (with the exception that Momentus’s planned inaugural
10 commercial mission was postponed from December 2020 to January 2021) as
11 detailed in Section VIII.D, *supra*, and were false and misleading for the same
12 reasons detailed Sections VIII.D and V.

13 254. In addition, the December 14, 2020 amended registration statement
14 added new misleading statements regarding Momentus’s application to the BIS for
15 an export license to provide its technology to Defendant Kokorich, stating
16 “notwithstanding the restrictions on Mr. Kokorich’s access to export-controlled
17 materials, Momentus has been able to secure contracts with customers ranging from
18 private space companies to established U.S. space industry entities such as NASA
19 and Lockheed Martin.”

20 255. In discussing Momentus’s BIS application, the amended registration
21 statement further stated, “Mr. Kokorich is pursuing several paths to U.S. Person
22 status, and we believe that he meets all of the legal requirements to be granted such
23 status in the United States. Momentus is also continuing to pursue appropriate
24 export licensure for Mr. Kokorich.”

25 256. The statements in ¶¶254-55 were materially false and/or misleading
26 when made and/or omitted to state material facts necessary to make the statements
27 not misleading, because they failed to disclose, among other things, the adverse
28 facts detailed in Section V.A, *supra*, regarding national security risks pertaining to

Formatted: Header

Deleted: (“CFIUS”) and thus

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
2 federal government would significantly restrict Momentus's operations so long as
3 Kokorich remained an officer or shareholder, and made it highly unlikely that the
4 federal government would grant Kokorich U.S. Person status.

5 257. In addition, the statements of SRAC and the SRAC Individual
6 Defendants in ¶¶254-55 were materially false and/or misleading when made and/or
7 omitted to state material facts necessary to make the statements not misleading,
8 because they failed to disclose, among other things, the adverse facts detailed in
9 Section V.D, *supra*, regarding SRAC's failure to perform adequate due diligence on
10 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
11 adequate due diligence on Kokorich's national security risks, their statements
12 regarding his continued involvement with Momentus, whether he would be granted
13 U.S. Person status, and Momentus's regulatory risks lacked any reasonable basis
14 and so were materially misleading.

15 **G. January 4-5, 2021 Press Release And Interviews**

16 258. On January 4, 2021 Momentus issued a press release, which SRAC
17 filed with the SEC as an exhibit to a current report on Form 8-K, signed by
18 Defendant Kabot. Also on January 4, 2021, IPO Edge published an interview with
19 Defendant Kennedy, which SRAC filed with the SEC. On January 5, 2021 Forbes
20 published an interview with Defendant Kokorich, which SRAC filed with the SEC.

21 **1. National Security Risks**

22 259. In the press release, Momentus stated regarding regulatory approvals
23 and its launch schedule that:

24 [Momentus] will be remanifesting its January 2021 mission to a
25 subsequent launch opportunity in 2021. This move will allow for the
26 additional time necessary to secure FAA approval of Momentus'
27 payloads, including completion of a standard interagency review.
28 Momentus currently holds all other necessary licenses for its Vigoride

Formatted: _Pld Footer Adjustment

1 vehicle. The Company has booked several additional launches with
2 SpaceX between June and December of 2021.

3 260. The press release quoted Defendant Kennedy as stating “We will
4 continue to work with the FAA, as we have done successfully with other regulatory
5 agencies, to obtain approval in a timely manner.”

6 261. The IPO Edge interviewer asked Kennedy, “What caused the delays?”
7 to which Defendant Kennedy replied in relevant part:

8 The most recent shift (from January 2021 to a subsequent launch in
9 2021) came about as result of a delay in the Federal Aviation
10 Administration’s (FAA’s) approval of Momentus’ spacecraft. The
11 FAA did not express any specific concerns of its own, but rather
12 indicated that more time was needed to complete its interagency
13 review of Momentus’ payload.

14 262. The IPO Edge interviewer asked, “What is the nature of this
15 interagency review, and is this the first time you are undergoing such a review?”, to
16 which Defendant Kennedy replied:

17 We are quite familiar with interagency review processes, and we have
18 cleared similar reviews for our other licenses. For example, we
19 recently cleared an interagency review as part of our effort to obtain a
20 license from the National Oceanic and Atmospheric Administration
21 (NOAA) to allow the operation of our spacecraft’s camera. While we
22 discuss interagency reviews in our S-4, these reviews are a standard
23 part of various license application processes, allowing multiple
24 government agencies – the Department of Commerce, Department of
25 Defense, Department of State, NASA, and others – to examine the
26 applications from their individual perspectives.

27 263. The IPO Edge interviewer asked, “You state in your S-4 that
28 interagency review may include a review of foreign ownership. Is that a concern for
29 Momentus?”, to which Defendant Kennedy replied:

30 NOAA and its partner agencies have already reviewed Momentus’
31 foreign ownership – this review was completed to the satisfaction of
32 these agencies, as evidenced by NOAA’s issuance of a license.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Momentum is approximately 74% U.S.-owned today, and this U.S.-majority ownership is expected to increase to approximately 84% upon the company's merger with Stable Road. This merger is on target to close in the first quarter of 2021 (subject to approval of Stable Road's and Momentum's stockholders and other closing conditions, including a registration statement being declared effective by the SEC). We also mention in our S-4 that Mikhail Kokorich, the CEO of Momentum and one of the company's larger shareholders, is an asylum seeker from the Russian Federation, currently pursuing several paths to U.S. Person status. We believe that Mr. Kokorich meets all legal requirements to be granted such status in the United States, and that he will be offered U.S. citizenship, further increasing U.S. ownership of Momentum.

264. The IPO Edge interviewer asked, "In addition to the FAA approval, are there any other approvals/licenses Momentum still needs in order to launch Vigoride?", to which Defendant Kennedy replied, "No, Momentum currently holds all necessary licenses for its Vigoride vehicle."

265. The Forbes interviewer asked Kokorich, "Who is your biggest inspiration?", to which Defendant Kokorich replied:

My source of inspiration is the story of Igor Sikorsky, a great Russian-American inventor, aviator and entrepreneur. I found a lot of commonalities in his life and my own. He became famous and successful in the Russian Empire, where he built the largest plane in the world, and finally ran from the Bolshevik regime of Soviet Russia to the United States. He created a large aerospace company and became the inventor of a new class of flying machines: helicopters, the possibility of which was predicted by the great Leonardo Da Vinci.

266. The statements in ¶¶259-65 were materially false and/or misleading when made and/or omitted to state material facts necessary to make the statements not misleading, because they failed to disclose, among other things, the adverse facts detailed in Section V.A, supra, regarding national security risks pertaining to Defendant Kokorich. These undisclosed adverse facts made it highly likely that the federal government would significantly restrict Momentum's operations, so long as

Formatted: Header

Formatted: _2.0sp 0.5", Indent: Left: 0.5", Right: 0.6"

Deleted: a national security review, it omitted any disclosure that defendant Kokorich himself was considered by U.S. government officials to pose a serious national security threat, thereby jeopardizing Momentum's launch schedule and undermining its revenue projectionsapproval of Stable Road

Deleted: 25. Defendants'

Deleted: referenced

Deleted: 21-24 above

Deleted: misrepresented and

Deleted: about

Deleted: business,

Deleted: , and prospects and Stable Road's

Formatted: _Pld Footer Adjustment

1 Kokorich remained an officer or shareholder, and likewise made it highly unlikely
2 that the federal government would grant Momentus the approvals necessary to
3 achieve its advertised launch schedule.

4 267. In addition, the statements of SRAC and Defendant Kabot in ¶¶259-65
5 were materially false and/or misleading when made and/or omitted to state material
6 facts necessary to make the statements not misleading, because they failed to
7 disclose, among other things, the adverse facts detailed in Section V.D, supra,
8 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
9 SRAC and Defendant Kabot had not performed adequate due diligence on
10 Kokorich’s national security risks, their statements regarding his continued
11 involvement with Momentus, Momentus’s planned launch schedule, and
12 Momentus’s regulatory risks lacked any reasonable basis and so were materially
13 misleading.

14 **2. Financial Projections**

15 268. In the press release, Momentus stated that “The Company reaffirms its
16 expectation of 2021 revenue as detailed in its December 2020 investor
17 presentation.”

18 269. The Press release quoted Defendant Kennedy as stating “We anticipate
19 that by launching our first Vigoride vehicle on a subsequent mission, we will still
20 achieve our revenue expectations for 2021 while delivering our customers’ payloads
21 to orbit.”

22 270. The IPO Edge interviewer asked Defendant Kennedy, “How will the
23 new launch date impact your 2021 revenue?”, to which Defendant Kennedy replied,
24 “The number of launches did not change. Rather than launching in January, we will
25 launch this particular vehicle at our first opportunity, later this year. Hence, we do
26 not expect changes to our total revenue for 2021.”

Formatted: Header

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: activities in connection

Deleted: the Merger, which were known to defendants or
recklessly disregarded by them, as follows: Momentus

Deleted: ¶
(a) that Momentus’s 2019 test of its key technology, a water plasma thruster, had failed to meet Momentus’s own public and internal pre-launch criteria for success, and was conducted on a prototype that was not designed to generate commercially significant amounts of thrust;
(b) that the U.S. government had conveyed that it considered the CEO of Momentus, defendant Kokorich, a national security threat, which jeopardized defendant Kokorich’s continued leadership of Momentus and Momentus’s launch schedule and business prospects;
(c) that, as a result of (a) and (b) above, the revenue projections and business and operational plans provided to investors regarding Momentus and the commercial viability and timeline of its products were materially false and misleading and lacked a reasonable basis in fact; and
(d) that Stable Road had failed to conduct appropriate due diligence of Momentus and its business operations and defendants had materially misrepresented the due diligence activities being conducted by the Sponsor and Stable Road executives in connection with the Merger.
26. On

Formatted: _Pld Footer Adjustment

Formatted: Header

1 271. The Forbes interviewer asked Kokorich, “Why did you choose the
2 SPAC route to going public? What are the benefits of this versus the traditional IPO
3 route?”, to which Defendant Kokorich replied:

4 During the SPAC merger process, a company can communicate its
5 plans and projections to the market, which is challenging to do during
6 the IPO process. This is especially valuable for fast-growing
7 companies, who place a lot of value in future growth. Additionally, a
8 company can negotiate and test its valuation during the PIPE process
9 before the deal becomes public and the company goes to market. PIPE
10 is common for SPAC deals, and it also signals to the market that the
11 valuation was negotiated with professional and reputable investors.

12 272. The statements in ¶¶268-71 were materially false and/or misleading
13 when made and/or omitted to state material facts necessary to make the statements
14 not misleading, because they failed to disclose, among other things, the adverse
15 facts detailed in Section V.C, *supra*, regarding financial projections. The
16 undisclosed adverse facts regarding Kokorich’s national security risks and
17 Momentum’s failed in space test made the assumptions underlying the financial
18 projections and related metrics unreasonable, and made it highly unlikely that these
19 projections and related metrics would be achieved.

20 273. In addition, the statements of SRAC and Defendant Kabot in ¶¶268-71
21 were materially false and/or misleading when made and/or omitted to state material
22 facts necessary to make the statements not misleading, because they failed to
23 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
24 regarding SRAC’s failure to perform adequate due diligence on Momentum. Because
25 SRAC and Defendant Kabot had not performed adequate due diligence on
26 Kokorich’s national security risks or the El Camino Real mission, their statements
27 regarding financial projections and related metrics for Momentum, which depended
28 on key assumptions regarding Momentum’s launch schedule and technology, lacked
any reasonable basis and so were materially misleading.

Formatted: _Pld Footer Adjustment

1 H. January 25, 2021 Press Release

2 274. On January 25, 2021 Momentus issued a press release, which SRAC
3 filed with the SEC as an exhibit to a current report on Form 8-K, signed by
4 Defendant Kabot. The press release announced that Momentus’s “Board of
5 Directors has appointed Dawn Harms, the Company’s Chief Revenue Officer, as a
6 director and interim CEO effective immediately, following the resignation of
7 director and founding CEO Mikhail Kokorich.”

8 275. The press release stated, “Momentus, in consultation with [SRAC], has
9 determined that accepting Mr. Kokorich’s resignation is in the best interest of the
10 Company, in an effort to expedite the resolution of U.S. government national
11 security and foreign ownership concerns surrounding the Company, the existence of
12 which the Company recently has confirmed.”

13 276. The press release quoted Defendant Kabot as stating, “We believe that
14 this leadership transition will position the company for success and help accelerate
15 regulatory reviews by the U.S. government . . . We have full confidence in Dawn
16 and the team to lead the Company to reach both near-term targets and achieve even
17 greater success over the longer-term.”

18 277. The statements in ¶¶274-76 were materially false and/or misleading
19 when made and/or omitted to state material facts necessary to make the statements
20 not misleading, because they failed to disclose, among other things, the adverse
21 facts detailed in Section V.A, supra, regarding national security risks pertaining to
22 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
23 federal government would significantly restrict Momentus’s operations so long as
24 Kokorich remained a shareholder, and likewise made it highly unlikely that the
25 federal government would grant Momentus the approvals necessary to achieve its
26 advertised launch schedule.

27 278. In addition, the statements of SRAC and Defendant Kabot in ¶¶274-76
28 were materially false and/or misleading when made and/or omitted to state material

AMENDED COMPLAINT

Formatted: Header

Deleted: , Momentus

Formatted: Font: 14 pt

Deleted: defendant Kokorich had resigned his position as CEO of Momentus “Mome

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: 27. On this news, the price of Stable Road securities plummeted. Over three trading days, the price of Stable Road Class A stock fell \$4.75, or 19%, to close at \$20.10 per share on January 27, 2021. However, because the truth regarding Stable Road’s due diligence activities and the commercial viability of Momentus products and its expected revenues remained concealed by defendants, the price of Stable Road securities remained artificially inflated.

28. On July 13, 2021, the SEC announced charges against Stable Road, the Sponsor, Momentus, defendant Kabot and defendant Kokorich for making “misleading claims about Momentus’s technology and about national security risks associated with Kokorich.” The release stated that all parties other than defendant Kokorich had settled the charges against them for \$8 million in total, while the case against defendant Kokorich continued. The release stated in pertinent part as follows: According to the SEC’s settled order, Kokorich and Momentus, an early-stage space transportation company, repeatedly told investors that it had “successfully tested” its propulsion technology in space when, in fact, the company’s only in-space test had failed to achieve its primary mission objectives or demonstrate the technology’s commercial viability. The order finds that Momentus and Kokorich also misrepresented the extent to which national security concerns involving Kokorich undermined Momentus’s ability to secure required governmental licenses essential to its operations. In addition, the order finds that Stable Road repeated Momentus’s misleading statements in public filings associated with the proposed merger and failed its due diligence obligations to investors. According to the order, while Stable Road claimed to have conducted extensive due diligence of Momentus, it never reviewed the results of Momentus’s in-space test or received sufficient documents relevant to assessing the national security risks posed by Kokorich. The order finds that Kabot participated in Stable Road’s inadequate due diligence and in filing its inaccurate registration statements and proxy solicitations. The SEC’s complaint against Kokorich includes factual allegations that are consistent with the findings in the order.

29. Also on July 13, 2021, the SEC publicized a cease-and-desist order (“Order”) and complaint against defendant Kokorich which detailed defendants’ scheme to defraud investors in connection with the Merger. The Order stated in pertinent part as follows:

3. Momentus’s business plans and multi-billion dollar revenue projections, as provided to PIPE investors and described in SRAC’s Form S-4 registration statement/proxy statement filed in connection with the anticipated merger, were premised on Momentus’s development of commercially viable technology that it could employ to provide commercial space services to customers in the near-term on U.S.-based launches.

4. Momentus and Kokorich misled SRAC’s investors, including the PIPE investors, in two key respects. First, Momentus and SRAC both claimed that in 2019, Momentus had “successfully tested” in space its key technology, a microwave electro-thermal (“MET”) water plasma thruster, that Momentus claimed was designed to move a satellite into custom orbit after launch. In fact, that 2019 test failed to meet Momentus’s own public and internal pre-launch criteria for success, and was conducted on a prototype that was not designed to generate commercially significant amounts of thrust.

5. Second, Kokorich and Momentus concealed and made false statements about U.S. government concerns with national sec... [2]

Formatted: _Pld Footer Adjustment

Formatted: Header

1 facts necessary to make the statements not misleading, because they failed to
2 disclose, among other things, the adverse facts detailed in Section V.D, supra,
3 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
4 SRAC and Defendant Kabot had not performed adequate due diligence on
5 Kokorich’s national security risks, their statements regarding the effect of his
6 resignation, Momentus’s planned launch schedule, and Momentus’s regulatory risks
7 lacked any reasonable basis and so were materially misleading.

8 **I. March 8, 2021 Amended Registration Statement**

9 279. On March 8, 2021, SRAC filed an amended registration statement on
10 Form S-4/A with the SEC seeking shareholder approval of the merger. The amended
11 registration statement was signed by Defendant Kabot and Defendant Norris, and by
12 Defendant Kabot as attorney-in-fact for each member of SRAC’s board of directors
13 including Defendant Hofmockel. The amended registration statement incorporated
14 information about Momentus that was supplied to SRAC by Momentus and the
15 Momentus Individual Defendants.

16 280. The false and misleading statements and omissions contained in this
17 amended registration statement regarding Momentus’s technology, financial
18 projections, and SRAC’s due diligence were identical or substantially similar to the
19 false and misleading statements and omissions regarding these subjects as contained
20 in the previously published versions of the registration statement as detailed in
21 Section VIII.D, supra, and were false and misleading for the same reasons detailed
22 Sections VIII.D and V.

23 281. In addition, the amended registration statement disclosed regarding
24 Defendant Kokorich’s resignation:

25 On January 21, 2021, Momentus became aware of correspondence
26 from the U.S. Department of Defense (“DoD”) stating Momentus
27 posed a risk to national security as a result of the foreign ownership
28 and control of Momentus by Mikhail Kokorich and Lev Khasis and
their associated entities, as well as concerns regarding disclosures

Formatted: _Pld Footer Adjustment

1 relating to such matters made by Stable Road in its SEC filings in
2 connection with the Business Combination. In an effort to expedite
3 the resolution of these U.S. Government concerns, on January 23,
4 2021, Mr. Kokorich resigned as Momentus' Chief Executive Officer
5 and as a director of Momentus.

6 282. The amended registration statement described Kokorich's
7 relinquishment of voting rights in his Momentus stock as part of efforts to overcome
8 the U.S. government's national security concerns:

9 As contemplated by the CFIUS notice, on March 1, 2021, each of (i)
10 Mr. Kokorich (and Nortrone Finance S.A. ("Nortrone"), which is
11 wholly owned and controlled by Mr. Kokorich and his wife
12 (collectively, the "Kokorich Parties")), and (ii) Brainyspace LLC
13 ("Brainyspace") (the beneficial owner of which is Olga Khasis, a U.S.
14 citizen and wife of Lev Khasis, a co-founder and former director of
15 Momentus who is a legal permanent U.S. resident and also a Russian
16 citizen), relinquished their ability to direct the voting of any shares in
17 Momentus through the implementation of trust structures and certain
18 voting arrangements.

19 283. The amended registration statement disclosed that Kokorich planned to
20 remain a shareholder of Momentus for several years, stating "The Kokorich Parties
21 and Brainyspace have agreed with Momentus that they will fully divest their shares
22 by March 1, 2024, or as required by CFIUS."

23 284. The amended registration statement discussed Momentus's planned
24 launch schedule, stating "Vigoride's first two commercial missions are planned to
25 launch in June 2021, followed by a mission in August 2021 and three additional
26 missions in December 2021."

27 285. The statements in ¶¶281-84 were materially false and/or misleading
28 when made and/or omitted to state material facts necessary to make the statements
not misleading, because they failed to disclose, among other things, the adverse
facts detailed in Section V.A, supra, regarding national security risks pertaining to
Defendant Kokorich. These undisclosed adverse facts made it highly likely that the

1 federal government would significantly restrict Momentus's operations so long as
2 Kokorich remained a shareholder, and likewise made it highly unlikely that the
3 federal government would grant Momentus the approvals necessary to achieve its
4 advertised launch schedule.

5 286. In addition, the statements of SRAC and the SRAC Individual
6 Defendants in ¶¶281-84 were materially false and/or misleading when made and/or
7 omitted to state material facts necessary to make the statements not misleading,
8 because they failed to disclose, among other things, the adverse facts detailed in
9 Section V.D, *supra*, regarding SRAC's failure to perform adequate due diligence on
10 Momentus. Because SRAC and the SRAC Individual Defendants had not performed
11 adequate due diligence on Kokorich's national security risks, their statements
12 regarding the effect of his resignation, Momentus's planned launch schedule, and
13 Momentus's regulatory risks lacked any reasonable basis and so were materially
14 misleading.

15 **J. April 7, 2021 Preliminary Proxy Statement And Updated Investor**
16 **Presentation**

17 287. On April 7, 2021, SRAC filed with the SEC a current report on Form 8-
18 K, signed by Defendant Kabot, which contained as an exhibit an updated version of
19 the investor presentations previously published by SRAC and Momentus. Also on
20 April 7, 2021, SRAC filed with the SEC a preliminary proxy statement on Form
21 14A, signed by Defendant Kabot, to postpone its May 13, 2021 deal deadline.

22 288. The false and misleading statements and omissions relating to
23 Momentus's technology that were contained in the updated investor presentation
24 were identical or substantially similar to the false and misleading statements and
25 omissions on that subject contained in the previously published investor
26 presentations as detailed in Section VIII.B, *supra*, and were false and misleading for
27 the same reasons detailed Sections VIII.B and V.

Formatted: Header

1 **1. National Security Risks**

2 289. The preliminary proxy statement stated regarding Momentus’s efforts
3 to resolve regulatory concerns, “Momentus has undertaken several important actions
4 in an effort to further accelerate the resolution of these concerns.” including “The
5 entry into trust structures and certain voting arrangements providing for the
6 complete relinquishment of the ability to direct the voting of shares of Momentus by
7 Mr. Kokorich and Mr. Khasis and/or their associated entities,” and “Arrangements
8 providing for the complete divestment of shares of Momentus by Mr. Kokorich and
9 Mr. Khasis and/or their associated entities by March 1, 2024 or as required by
10 CFIUS.”

11 290. The preliminary proxy statement stated, “Momentus’ first launch of
12 customer payloads is currently anticipated to occur in June 2021 on a SpaceX
13 Falcon-9 rocket,” and further stated that “Momentus still plans to build and launch
14 six Momentus vehicles in 2021 in three launches.”

15 291. The investor presentation likewise contained a timeline forecasting
16 Momentus’s launch of six Momentus vehicles in 2021 in three launches.

17 292. The statements in ¶¶289-91 were materially false and/or misleading
18 when made and/or omitted to state material facts necessary to make the statements
19 not misleading, because they failed to disclose, among other things, the adverse
20 facts detailed in Section V.A, supra, regarding national security risks pertaining to
21 Defendant Kokorich. These undisclosed adverse facts made it highly likely that the
22 federal government would significantly restrict Momentus’s operations so long as
23 Kokorich remained a shareholder, and likewise made it highly unlikely that the
24 federal government would grant Momentus the approvals necessary to achieve its
25 advertised launch schedule.

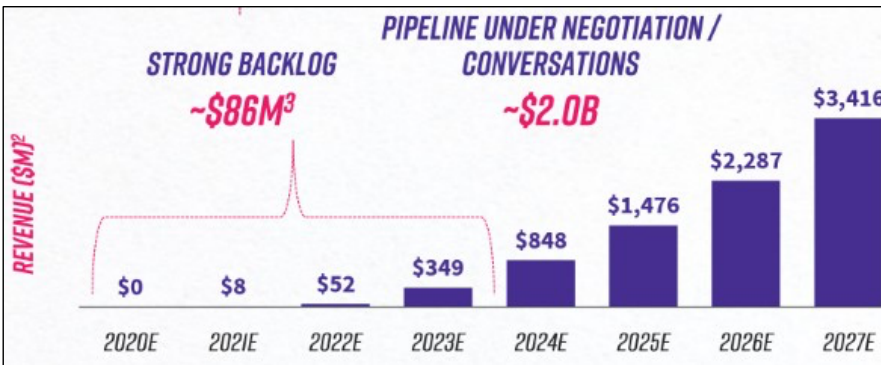
26 293. In addition, the statements of SRAC and Defendant Kabot in ¶¶289-91
27 were materially false and/or misleading when made and/or omitted to state material
28 facts necessary to make the statements not misleading, because they failed to

Formatted: _Pld Footer Adjustment

1 disclose, among other things, the adverse facts detailed in Section V.D, *supra*,
2 regarding SRAC’s failure to perform adequate due diligence on Momentus. Because
3 SRAC and Defendant Kabot had not performed adequate due diligence on
4 Kokorich’s national security risks, their statements regarding the effect of his
5 resignation, Momentus’s planned launch schedule, and Momentus’s regulatory risks
6 lacked any reasonable basis and so were materially misleading.

7 **2. Financial Projections**

8 294. The investor presentation contained the following revenue projections:



18 295. The investor presentation repeated these revenue projections under the
19 heading “Clear Path to Profitability and >\$1B in EBITDA.”

20 296. The investor presentation contained a slide titled “Significant Customer
21 Traction and Expected Demand,” which stated “Current Backlog of Potential
22 Revenue ~86M.”

23 297. The statements in ¶¶294-96 were materially false and/or misleading
24 when made and/or omitted to state material facts necessary to make the statements
25 not misleading, because they failed to disclose, among other things, the adverse
26 facts detailed in Section V.C, *supra*, regarding financial projections. The
27 undisclosed adverse facts regarding Kokorich’s national security risks and
28 Momentus’s failed in space test made the assumptions underlying the financial

Formatted: Header

1 projections and related metrics unreasonable, and made it highly unlikely that these
2 projections and related metrics would be achieved.

3 298. In addition, the statements of SRAC and Defendant Kabot in ¶¶294-96
4 were materially false and/or misleading when made and/or omitted to state material
5 facts necessary to make the statements not misleading, because they failed to
6 disclose, among other things, the adverse facts detailed in Section V.D, supra,
7 regarding SRAC's failure to perform adequate due diligence on Momentus. Because
8 SRAC and Defendant Kabot had not performed adequate due diligence on
9 Kokorich's national security risks or the El Camino Real mission, their statements
10 regarding financial projections and related metrics for Momentus, which depended
11 on key assumptions regarding Momentus's launch schedule and technology, lacked
12 any reasonable basis and so were materially misleading.

13 **K. May 4-5, 2021 Updated Investor Presentation**

14 299. On May 4, 2021 representatives of SRAC and Momentus (including
15 Defendants Kabot and Harms, in addition to Momentus's Chief Technology Officer
16 Rob Schwarz) participated in a live broadcast interview with IPO Edge. The
17 interview was accompanied by a modified version of Momentus's investor
18 presentation. On May 5, 2021 SRAC publicly filed a transcript of this interview
19 with the SEC on Form 425, along with a copy of the accompanying investor
20 presentation.

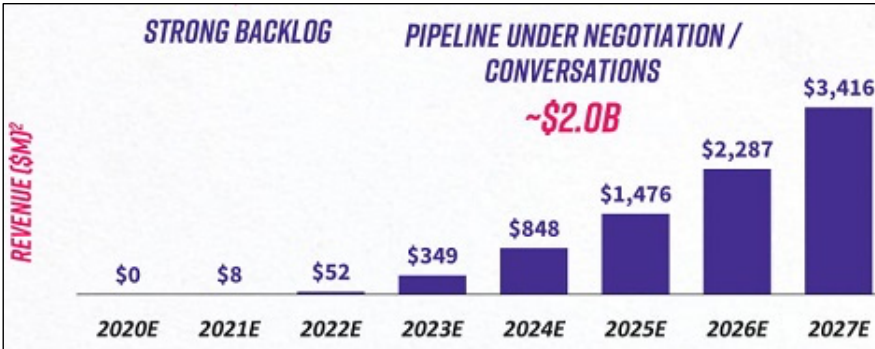
21 300. The false and misleading statements and omissions relating to
22 Momentus's technology that were contained in the investor presentation were
23 identical or substantially similar to the false and misleading statements and
24 omissions on that subject contained in previously published investor presentations,
25 as detailed in Section VIII.B, supra, and were false and misleading for the same
26 reasons detailed Sections VIII.B and V.

27 //

28 //

Formatted: _Pld Footer Adjustment

1 301. The investor presentation contained the following revenue projections:



2
3
4
5
6
7
8
9
10 302. The statements in ¶301 were materially false and/or misleading when
11 made and/or omitted to state material facts necessary to make the statements not
12 misleading, because they failed to disclose, among other things, the adverse facts
13 detailed in Section V.C, *supra*, regarding financial projections. The undisclosed
14 adverse facts regarding Kokorich’s national security risks and Momentus’s failed in
15 space test made the assumptions underlying the financial projections and related
16 metrics unreasonable, and made it highly unlikely that these projections and related
17 metrics would be achieved.

18 303. In addition, the statements of SRAC in ¶301 were materially false
19 and/or misleading when made and/or omitted to state material facts necessary to
20 make the statements not misleading, because they failed to disclose, among other
21 things, the adverse facts detailed in Section V.D, *supra*, regarding SRAC’s failure to
22 perform adequate due diligence on Momentus. Because SRAC had not performed
23 adequate due diligence on Kokorich’s national security risks or the El Camino Real
24 mission, its statements regarding financial projections and related metrics for
25 Momentus, which depended on key assumptions regarding Momentus’s launch
26 schedule and technology, lacked any reasonable basis and so were materially
27 misleading.
28

1 L. June 29, 2021 Amended Registration Statement

2 304. On June 29, 2021, SRAC filed an amended registration statement on
3 Form S-4/A with the SEC seeking shareholder approval of the merger. The amended
4 registration statement was signed by Defendant Kabot and Defendant Norris, and by
5 Defendant Kabot as attorney-in-fact for each member of SRAC's board of directors
6 including Defendant Hofmockel. The amended registration statement incorporated
7 information about Momentus that was supplied to SRAC by Momentus and the
8 Momentus Individual Defendants.

9 305. The false and misleading statements and omissions contained in this
10 amended registration statement regarding SRAC's due diligence were identical or
11 substantially similar to the false and misleading statements and omissions regarding
12 these subjects as contained in the previously published versions of the registration
13 statement as detailed in Section VIII.D, *supra*, and were false and misleading for the
14 same reasons detailed Sections VIII.D and V.

15 IX. ADDITIONAL SCIENTER ALLEGATIONS

16 306. As alleged herein, Defendants acted with scienter since Defendants
17 knew that the public documents and statements issued or disseminated in the names
18 of SRAC and Momentus were materially false and/or misleading; knew that such
19 statements or documents would be issued or disseminated to the investing public;
20 and knowingly and substantially participated or acquiesced in the issuance or
21 dissemination of such statements or documents as primary violations of the federal
22 securities laws.

23 307. As alleged herein, the Individual Defendants, by virtue of their receipt
24 of information reflecting the true facts regarding SRAC and Momentus, their control
25 over, and/or receipt and/or modification of SRAC's and Momentus's allegedly
26 materially misleading misstatements and/or their associations with SRAC and
27 Momentus, which made them privy to confidential proprietary information
28

Formatted: Header

Formatted: All caps

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Deleted: 31.

Formatted: .20sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: defendants

Deleted: in that they

Deleted: name

Deleted: the Company

Deleted: Defendants, by virtue of their receipt of information reflecting the true facts regarding Stable Road's due diligence activities and the technology possessed and national security concerns posed by Momentus, their control over, and/or receipt and/or modification of Stable Road's and Momentus's allegedly

Deleted:

Deleted: the Company

Deleted: /or

Deleted: .

Formatted: _Pld Footer Adjustment

concerning SRAC and Momentus, participated in the fraudulent scheme alleged herein.

A. SRAC And The SRAC Individual Defendants Knew Or Recklessly Disregarded The Falsity Of Their Statements

308. The positions of the SRAC Individual Defendants give rise to a strong inference of their scienter with respect to issues relating to the proposed merger and SRAC's due diligence. Defendant Kabot was SRAC's CEO. Defendant Norris was SRAC's CFO. Defendant Quiroga was SRAC's Chief Investment Officer. Defendant Hofmockel was a director of SRAC.

309. The SRAC Individual Defendants repeatedly held themselves out as knowledgeable regarding the operational details of SRAC and Momentus and the subject matter of the various misrepresentations and omissions alleged herein, which gives rise to a strong inference of their scienter.

310. Defendants Kabot, Quiroga, and Hofmockel repeatedly and directly participated in SRAC's due diligence of Momentus, and so knew first-hand the limitations of SRAC's due diligence, and the falsity of Defendants' related statements to investors. For example, among the many instances of their involvement in the due diligence process, as admitted in SRAC's SEC filings:

(a) "On August 13, 2020, Mr. Kabot and Mr. Quiroga visited Momentus' headquarters for an in-person management presentation and facility tour. During the day, they met with key members of management, discussed their backgrounds and roles at the company, performed additional due diligence and toured the facility."

(b) "On August 14, 2020, Mr. Kabot, Mr. Quiroga, representatives of Evercore and members of the Momentus management, including Rob Schwarz (Chief Technology Officer), Mr. Mitchell and Alexander Fishkin (Chief Business Affairs and Legal Officer), had a due diligence teleconference to discuss Momentus' intellectual property and other related topics. Also on August 14, 2020, Mr. Kabot,

Formatted: Header

Deleted: Stable Road

Deleted: 32. The fraudulent scheme described herein could not have been perpetrated during the Class Period without the knowledge and complicity of, or at least the reckless disregard by, personnel at the highest levels of the Company and Momentus, including the Individual Defendants. Given their executive-level positions with Stable Road and/or Momentus, the Individual Defendants controlled the contents of Stable Road's and Momentus's public statements during the Class Period. The Individual Defendants were each provided with or had access to the information alleged herein to be false and/or misleading prior to or shortly after its issuance and had the ability and opportunity to prevent its issuance or cause it to be corrected. Because of their positions and access to material non-public information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations that were being made were false and misleading. As a result, each of the Individual Defendants was responsible for the accuracy of Stable Road's and Momentus's corporate statements and is, therefore, responsible and liable for the representations contained therein.

Formatted: _Pid Footer Adjustment

Formatted: Header

1 Mr. Quiroga, representatives of Evercore and members of Momentus management,
2 including Philip Hoover-Smoot (Associate General Counsel and Chief Ethics &
3 Compliance Officer), had another due diligence teleconference to discuss
4 Momentus' commercial contracts and related topics. On August 26, 2020, Mr.
5 Kabot, Mr. Quiroga and representatives of Evercore had a teleconference to discuss
6 the due diligence calls SRAC had with Momentus."

7 (c) "On August 26, 2020, Mr. Kabot, Mr. Quiroga and Mr. Kokorich
8 had a meeting to discuss certain details of the proposed business combination,
9 including hiring Jikun Kim as the chief financial officer of Momentus, the process
10 for drafting and negotiating definitive documentation, the PIPE Investment, the
11 management equity incentive plan for the Combined Company including the
12 proposed CEO Option Grant, diligence and the composition of the board of directors
13 following the closing."

14 (d) "On September 2, 2020, the SRAC board of directors had a call
15 to discuss the potential business combination. During this call, Mr. Kabot and Mr.
16 Quiroga provided the other directors an update on progress with respect to diligence,
17 definitive documentation and the potential PIPE investment."

18 (e) "On September 10, 2020, Mr. Quiroga and representatives of
19 Evercore had a teleconference with representatives of Stellar Solutions to discuss
20 SRAC's engagement of Stellar Solutions to assist in technical diligence of
21 Momentus."

22 (f) "On September 18, 2020, Messrs. Quiroga, Hofmockel and
23 representatives of K&E, RSM US LLP ('RSM') and Stellar Solutions had a
24 teleconference to provide updates on the due diligence process and their diligence
25 findings to date."

26 (g) "On September 21, 2020, the SRAC board of directors had a call
27 to discuss progress in the initial business combination. Mr. Kabot and Mr. Quiroga
28 provided a detailed update to the board regarding progress on the PIPE investment,

Formatted: _Pld Footer Adjustment

1 the negotiation of the merger agreement and other transaction documents and
2 SRAC’s due diligence findings to date.”

3 (h) “On September 25, 2020, Messrs. Kabot, Quiroga, Hofmockel
4 and Ms. Harms had a call to discuss certain areas of business due diligence,
5 including customer contracts, backlog and deal pipeline.”

6 311. During and leading up to the Class Period SRAC was an extremely
7 small organization. SRAC had three officers (Defendants Kabot, Norris and
8 Quiroga) and no full time employees. This allowed the SRAC Individual Defendants
9 to have in-depth knowledge of all aspects of SRAC’s operations.

10 312. Prior to the Business Combination, SRAC had no business operations
11 of its own, and its sole purpose was to enter into a merger. Therefore, the business
12 combination with Momentus was SRAC’s core, and indeed only, operation, which
13 gives rise to a strong inference of the SRAC Individual Defendants’ scienter with
14 respect to issues relating to Momentus.

15 313. The SRAC Individual Defendants possessed strong personal financial
16 motives to complete the merger between SRAC and Momentus, and therefore to
17 cover up problems with SRAC’s due diligence and problems at Momentus, and to
18 misleadingly tout the merger and inflate Momentus’s apparent future prospects. For
19 example, as of December 11, 2020, the Sponsor and its affiliate owned SRAC stock
20 and warrants with an aggregate market value of approximately \$80.9 million, which
21 would be rendered worthless if the merger was not approved. These securities were
22 reported as beneficially owned by Defendants Quiroga and Kabot, and each of the
23 SRAC Individual Defendants were directly or indirectly a member of the Sponsor.
24 As the directors and/or officers of SRAC the SRAC Individual Defendants had
25 ample opportunity to control SRAC’s public statements regarding the proposed
26 merger.

27 314. That the SRAC Individual Defendants do not appear to have sold
28 SRAC securities during the Class Period does not negate a strong inference of their

Formatted: Header

1 scienter. It is a customary condition of SPAC mergers, necessary to market the
2 SPAC to prospective investors, that the SPAC's directors, officers, and substantial
3 shareholders must enter into lock-up agreements whereby they agree not to sell
4 SPAC securities until a given amount of time has passed from the completion of a
5 merger with a target company. SRAC's Sponsor and SRAC's executive officers and
6 directors, including the SRAC Individual Defendants, entered into such a lock-up
7 agreement with SRAC in which they agreed not to sell SRAC securities until six
8 months after the closing of SRAC's merger with a target company. SRAC's merger
9 with Momentum was not completed until on or about August 12, 2021, well after the
10 truth had been revealed about SRAC and Momentum and the artificial inflation had
11 been removed from SRAC's security prices. Therefore, due to the federal
12 government's intervention to reveal the truth to investors and due to the SRAC
13 Individual Defendants' lock-up agreement, the SRAC Individual Defendants did not
14 have the opportunity to sell SRAC securities at an artificial profit. That the federal
15 government intervened to foil the SRAC Individual Defendants' fraudulent scheme
16 before it came to fruition does not negate a strong inference of their scienter.

17 315. The scienter of the SRAC Individual Defendants is imputable to SRAC
18 because they were directors and/or officers of SRAC acting within the scope of their
19 authority.

20 316. The misrepresentations and omissions of SRAC as alleged herein are of
21 such a nature that they would have been approved by corporate officials sufficiently
22 knowledgeable about SRAC to know that those statements and omissions were
23 misleading.

24 **B. Momentum And The Momentum Individual Defendants Knew Or**
25 **Recklessly Disregarded The Falsity Of Their Statements**

26 317. The positions of the Momentum Individual Defendants give rise to a
27 strong inference of their scienter with respect to issues relating to the proposed
28 merger, Momentum's technology, Momentum's national security risks, and

Formatted: _Pld Footer Adjustment

Formatted: Header

1 Momentum's financial projections. Defendant Kokorich was Momentum's CEO.
2 Defendant Harms was Momentum's Chief Revenue Officer, and later interim CEO.
3 Defendant Kennedy was Momentum's President.

4 318. The Momentum Individual Defendants repeatedly held themselves out
5 as knowledgeable regarding the operational details of Momentum and the subject
6 matter of the various misrepresentations and omissions alleged herein, which gives
7 rise to a strong inference of their scienter.

8 319. As alleged herein, some or all of the Momentum Individual Defendants
9 were directly involved in issues relating to Momentum's 2019 in space test, national
10 security risks, and financial projections, and so knew first-hand the falsity of
11 Defendants' related statements to investors.

12 320. Defendant Kokorich was directly and substantially involved in
13 preparing and disseminating to investors false information about Momentum as
14 alleged herein. Defendant Kokorich knew that information he provided to SRAC
15 and its representatives would be repeated to investors in connection with the
16 proposed merger. As revealed by the SEC Order and the SEC Complaint:

17 (a) Prior to the execution of the merger agreement, Momentum and
18 Defendant Kokorich told SRAC and Defendant Kabot that the El Camino Real
19 mission was a success, but did not inform them of any internal concerns or
20 shortcomings with the in-space test. Defendant Kokorich and Momentum never
21 shared with SRAC and Defendant Kabot material internal analyses about the El
22 Camino Real mission's failure.

23 (b) Defendant Kokorich told Defendant Kabot prior to signing the
24 merger agreement that he had a strong case for political asylum, and that he also had
25 a second path to U.S. citizenship if for any reason the asylum application was not
26 granted. Defendant Kokorich did not tell Defendant Kabot that the USCIS had
27 previously issued a referral notice saying that it had not granted his asylum

28

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

1 application, and that it had referred his case to an immigration judge for adjudication
2 in removal proceedings.

3 (c) Defendant Kokorich assured Defendant Kabot that the CFIUS
4 divestiture order regarding his other space technology company was closed, and that
5 it was a different situation from his Momentus ownership. Defendant Kokorich
6 asserted that the issues CFIUS raised in the prior matter had to do with other
7 investors, not specifically him.

8 (d) Defendant Kokorich participated in the preparation of the
9 November and December 2020 S-4 registration statements, and specifically the
10 subsections of the S-4 statements that described or contained information about
11 Momentus. In his role as CEO, Defendant Kokorich generally reviewed and
12 approved Momentus's portion of the registration statements. Defendant Kokorich
13 also helped to draft what he described as the technology and business or market
14 strategy sections of the S-4 statements. Each registration statement contained a
15 subsection titled, "Information about Momentus," that Momentus drafted.
16 Defendant Kokorich reviewed and approved these subsections before they were
17 provided to SRAC for inclusion in the registration statement. Momentus also drafted
18 the "Risk Factors" subsection and provided it to Stable Road for inclusion in the
19 registration statement. Defendant Kokorich reviewed and did not correct the "Risk
20 Factors" subsection.

21 321. During and leading up to the Class Period Momentus was a small
22 organization. As of November 2, 2020 Momentus had only 82 employees, which
23 allowed the Momentus Individual Defendants to have in-depth knowledge of all
24 aspects of Momentus's operations.

25 322. At all relevant times the business of Momentus has centered on its
26 water plasma propulsion technology. Therefore, matters relating to Momentus's
27 water plasma technology such as whether it had been successfully tested in space,
28

Formatted: Header

1 were core operations for Momentus, and give rise to a strong inference of the
2 scienter of the Momentus Individual Defendants with respect to these issues.

3 323. At all relevant times, Momentus required regulatory approvals to
4 conduct its planned operations, and operated exclusively in the heavily regulated
5 space industry, which industry is highly sensitive with respect to national security.
6 At all relevant times up until his abrupt resignation in January 2021, Defendant
7 Kokorich was the key person behind Momentus, as its co-founder, CEO and leader.
8 Therefore, matters relating to Defendant Kokorich's national security issues and
9 Momentus's regulatory approvals were core operations for Momentus, and give rise
10 to a strong inference of the scienter of the Momentus Individual Defendants with
11 respect to these issues.

12 324. The Momentus Individual Defendants possessed strong personal
13 financial motives to complete the merger between SRAC and Momentus, and
14 therefore to cover up problems with SRAC's due diligence and problems at
15 Momentus, and misleadingly tout the merger and inflate Momentus's apparent
16 future prospects. For example, leading up to the proposed merger Momentus had no
17 revenue, was losing money at a rapid rate, and needed substantial investment capital
18 to survive and continue to pay compensation to the Momentus Individual
19 Defendants. In addition, Defendant Kokorich and Defendant Harms had substantial
20 ownership interests in Momentus that would become much more valuable and liquid
21 upon completion of a merger with SRAC. As of November 2, 2020 SRAC disclosed
22 that, as a result of their ownership of Momentus securities, Defendant Kokorich was
23 expected to beneficially own 19.3 million shares (approximately 14% of the total
24 outstanding) and Defendant Harms was expected to beneficially own over 100,000
25 shares of the combined company after the closing of the merger. As the directors
26 and/or officers of Momentus the Momentus Individual Defendants had ample
27 opportunity to control Momentus's public statements regarding the proposed
28 merger.

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

Formatted: Header

1 325. That the Momentus Individual Defendants do not appear to have sold
2 SRAC securities during the Class Period does not negate a strong inference of their
3 scienter, because the Momentus Individual Defendants did not own SRAC securities
4 during the Class Period. Rather, the Momentus Individual Defendants' motives as
5 alleged herein pertained to inducing SRAC and its investors to complete a merger
6 with Momentus. SRAC's merger with Momentus was not completed until on or
7 about August 12, 2021, well after the truth had been revealed about SRAC and
8 Momentus and the artificial inflation had been removed from SRAC's security
9 prices. Therefore, due to the federal government's intervention to reveal the truth to
10 investors and due to the Momentus Individual Defendants' lack of prior ownership
11 of SRAC securities, the Momentus Individual Defendants did not have the
12 opportunity to sell SRAC securities at an artificial profit. That the federal
13 government intervened to foil the Momentus Individual Defendants' fraudulent
14 scheme before it came to fruition does not negate a strong inference of their scienter.

15 326. As alleged above, Defendant Kokorich was personally involved in the
16 fraud alleged herein. Kokorich co-founded Momentus in 2017 and served as its
17 CEO and director. Kokorich abruptly resigned from Momentus and fled to
18 Switzerland in January 2021 amid increasing governmental scrutiny of national
19 security concerns relating to him, and amid the resulting delays in Momentus's
20 heavily touted launch schedule, which scrutiny and delays represented the
21 materialization of risks that Defendants had concealed from investors. As such,
22 Kokorich's departure closely following the materialization of these risks is strongly
23 indicative of his and Momentus's scienter.

24 327. The scienter of the Momentus Individual Defendants is imputable to
25 Momentus because they were directors and/or officers of Momentus acting within
26 the scope of their authority.

27 328. The misrepresentations and omissions of Momentus as alleged herein
28 are of such a nature that they would have been approved by corporate officials

Formatted: _Pld Footer Adjustment

1 sufficiently knowledgeable about Momentus to know that those statements and
2 omissions were misleading.

3 **X. LOSS CAUSATION**

4 329. Defendants' wrongful conduct, as alleged herein, directly and
5 proximately caused the economic loss suffered by Plaintiff and the Class.

6 330. Throughout the Class Period, as detailed herein, Defendants made
7 materially false and/or misleading statements and/or omissions. This course of
8 wrongful conduct caused the price of SRAC securities to be artificially inflated. But
9 for Defendants' misrepresentations and/or omissions, Plaintiff and the other
10 members of the Class would not have purchased SRAC securities or would not have
11 purchased such securities at artificially inflated prices. Later, when Defendants'
12 prior misrepresentations and/or omissions were disclosed to the market, the price of
13 SRAC securities fell significantly as the prior artificial price inflation was
14 dissipated. As a result of their purchases and/or acquisition of SRAC securities
15 during the Class Period, Plaintiff and other members of the Class suffered economic
16 loss, *i.e.* damages, under the Exchange Act. The timing and magnitude of the
17 decline in the prices of SRAC's securities negates any inference that the economic
18 losses and damages suffered by Plaintiff and other members of the Class were
19 caused by changed market conditions, macroeconomic factors, or company-specific
20 facts unrelated to Defendants' wrongful conduct.

21 331. As detailed in Section VII, *supra*, the truth regarding SRAC and
22 Momentus was revealed to the market and/or the previously concealed risks
23 materialized through a series of partial disclosures, which removed the artificial
24 inflation in SRAC securities prices and caused economic loss to Plaintiff and the
25 Class.

26 **XI. CLASS ACTION ALLEGATIONS**

27 332. Plaintiff brings this action as a class action pursuant to Federal Rule of
28 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and

Formatted: Header

Formatted: All caps

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Formatted: _Pld Footer Adjustment

1 entities that purchased or otherwise acquired SRAC securities between October 7,
2 2020 and July 13, 2021, inclusive, and who were damaged thereby (the “Class”),
3 seeking to recover compensable damages caused by Defendants’ violations of the
4 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the
5 Exchange Act and Rule 10b-5 promulgated thereunder. Excluded from the Class
6 are Defendants, the officers and directors of SRAC and Momentus, at all relevant
7 times, members of their immediate families and their legal representatives, heirs,
8 successors, or assigns, and any entity in which Defendants have or had a controlling
9 interest.

10 333. The members of the Class are so numerous that joinder of all members
11 is impracticable. Throughout the Class Period, SRAC’s shares actively traded on
12 the Nasdaq Capital Market. While the exact number of Class members is unknown
13 to Plaintiff at this time and can only be ascertained through appropriate discovery,
14 Plaintiff believes that there are at least hundreds or thousands of members in the
15 proposed Class. Millions of SRAC shares were traded publicly during the Class
16 Period. Record owners and other members of the Class may be identified from
17 records maintained by SRAC or its transfer agent and may be notified of the
18 pendency of this action by mail, using the form of notice similar to that customarily
19 used in securities class actions.

20 334. Plaintiff’s claims are typical of the claims of the members of the Class
21 as all members of the Class are similarly affected by Defendants’ wrongful conduct
22 in violation of federal law that is complained of herein.

23 335. Plaintiff will fairly and adequately protect the interests of the members
24 of the Class and has retained counsel competent and experienced in class and
25 securities litigation.

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

Formatted: Header

Moved (insertion) [3]

Moved (insertion) [4]

Moved (insertion) [5]

Formatted: _Pld Footer Adjustment

1 (a) whether the federal securities laws were violated by Defendants'
2 acts as alleged herein;

3 (b) whether statements made by Defendants to the investing public
4 during the Class Period omitted and/or misrepresented material facts about the
5 business, operations, and prospects of SRAC and Momentum;

6 (c) whether Defendants acted knowingly or recklessly in issuing
7 false and misleading SEC filings and public statements during the Class Period;

8 (d) whether the prices of SRAC's securities during the Class Period
9 were artificially inflated because of the Defendants' conduct complained of herein;

10 and

11 (e) whether the members of the Class have sustained damages and,
12 if so, what is the proper measure of damages.

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

19 **XII. APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD ON
20 THE MARKET DOCTRINE)**

21 338. The market for SRAC's securities was open, well-developed and
22 efficient at all relevant times. As a result of the materially false and/or misleading
23 statements and/or failures to disclose, SRAC's securities traded at artificially
24 inflated prices during the Class Period. Plaintiff and other members of the Class
25 purchased or otherwise acquired SRAC's securities relying upon the integrity of the
26 market price of SRAC's securities and market information relating to SRAC, and
27 have been damaged thereby.
28

Formatted: Header

Moved (insertion) [6]

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Moved (insertion) [7]

Deleted: 33. As detailed herein, during the Class Period, defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Stable Road securities. This scheme operated as a fraud or deceit on Class Period purchasers of Stable Road securities by failing to disclose and misrepresenting the adverse facts detailed herein. When defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of Stable Road securities declined significantly as the prior artificial inflation came out of the price of Stable Road securities.

34. By concealing from investors the adverse facts detailed herein, defendants presented a misleading picture of Stable Road's due diligence activities and Momentum's business, prospects and operations. Defendants' false and misleading statements had the intended effect and caused Stable Road securities to trade at artificially inflated levels throughout the Class Period, reaching as high as \$29.18 per share of Class A common stock on February 10, 2021. Following the adverse revelations detailed herein, the price of Stable Road Class A common stock fell to a low of just \$10.58 per share on July 14, 2021 - nearly 64% below the Class Period high. As a result of their purchases of Stable Road securities at artificially inflated prices during the Class Period, plaintiff and the other Class members suffered economic loss, i.e., damages, under the federal securities laws.

35. When the truth about the Company was revealed to the market, the price of Stable Road securities fell significantly. The decline removed the inflation from the price of Stable Road securities, causing real economic loss to investors who had purchased Stable Road securities during the Class Period. The decline in the price of Stable Road securities when the corrective disclosure came to light was a direct result of the nature and extent of defendants' fraudulent misrepresentations being revealed to investors and the market. The timing and magnitude of the price decline in Stable Road securities negate any inference that the loss suffered by plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors, or Company-specific factors unrelated to defendants' fraudulent conduct.

36. The economic loss, i.e., damages, suffered by plaintiff and the other Class members was a direct result of defendants' fraudulent scheme to artificially inflate the price of Stable Road securities and the subsequent significant decline in the value of Stable Road securities when defendants' prior misrepresentations and other fraudulent conduct were revealed.

Deleted: :

Formatted: All caps

Deleted:

Deleted:

Formatted: All caps

Formatted: All caps

Formatted: All caps

Deleted:

Formatted: All caps

Deleted: 37.

Formatted: _Pld Footer Adjustment

1 339. At all relevant times, the market for SRAC's securities was an efficient
2 market for the following reasons, among others:

3 (a) SRAC shares met the requirements for listing, and were listed
4 and actively traded on the Nasdaq Capital Market, a highly efficient, and automated
5 market;

6 (b) As a regulated issuer, SRAC filed periodic public reports with
7 the SEC and/or the Nasdaq Capital Market;

8 (c) SRAC's securities were liquid and traded with substantial
9 volume during the Class Period; and

10 (d) SRAC regularly communicated with public investors via
11 established market communication mechanisms, including through regular
12 dissemination of press releases on the national circuits of major newswire services
13 and through other wide-ranging public disclosures, such as communications with the
14 financial press and other similar reporting services.

15 340. As a result of the foregoing, the market for SRAC's securities promptly
16 digested current information regarding SRAC from all publicly available sources
17 and reflected such information in SRAC's share price. Unexpected material news
18 about SRAC was rapidly reflected in and incorporated into SRAC's stock price
19 during the Class Period.

20 341. Plaintiff and members of the Class purchased and/or sold SRAC's
21 securities between the time the Defendants failed to disclose or misrepresented
22 material facts and the time the true facts were disclosed, without knowledge of the
23 omitted or misrepresented facts. The misrepresentations and omissions alleged
24 would tend to induce a reasonable investor to misjudge the value of SRAC's
25 securities.

26 342. Under these circumstances, all purchasers of SRAC's securities during
27 the Class Period suffered similar injury through their purchase of SRAC's securities
28

Formatted: Header

Deleted: Stable Road

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: (a) Stable Road securities

Deleted: , national stock

Deleted: (b) as

Deleted: Stable Road

Deleted: (c) Stable Road

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 1", Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: the

Deleted: ; and

Deleted: (d) Stable Road was followed by securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.³⁸

Deleted: Stable Road

Deleted: Stable Road

Deleted: the

Deleted: Stable Road

Deleted: .

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: Stable Road

Deleted: Stable Road

Formatted: _Pld Footer Adjustment

1 at artificially inflated prices, and Plaintiff and the members of the Class are entitled
2 to a presumption of reliance upon the integrity of the market.

Formatted: Header

Deleted: and

Deleted: applies

3 343. Alternatively, Plaintiff and the members of the Class are entitled to the
4 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*
5 *of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted
6 material information in their Class Period statements in violation of a duty to
7 disclose such information, as detailed above. The Class’s claims are, in large part,
8 grounded on Defendants’ material omissions. Because this action involves
9 Defendants’ failure to disclose material adverse information regarding SRAC’s and
10 Momentus’s business operations and financial prospects—information that
11 Defendants were obligated to disclose—positive proof of reliance is not a
12 prerequisite to recovery. All that is necessary is that the facts withheld be material
13 in the sense that a reasonable investor might have considered them important in
14 making investment decisions. Given the importance of the Class Period material
15 misstatements and omissions set forth above, that requirement is satisfied here

16 **XIII. NO SAFE HARBOR**

Formatted: All caps

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

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Deleted: 39.

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: the Private Securities Litigation Reform Act of 1995

Deleted: plead

Deleted: complaint.

Deleted: ¶

Deleted: adequately

Deleted: Furthermore

Deleted: defendants

Formatted: _Pld Footer Adjustment

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

4 **XIV. CAUSES OF ACTION**

5 **COUNT I**

6 **Violation Of Section 10(b) Of The Exchange Act And**
7 **Rule 10b-5 Promulgated Thereunder**
8 **Against Defendants Momentus, SRAC, Kokorich,**
9 **Kennedy, Kabot, Norris, And Hofmockel**

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

12 346. During the Class Period Defendants Momentus, SRAC, Kokorich,
13 Kennedy, Kabot, Norris, and Hofmockel (the "Count I Defendants") made untrue
14 statements of material fact and/or omitted to state material facts necessary to make
15 the statements not misleading.

16 347. During the Class Period, the Count I Defendants carried out a plan,
17 scheme and course of conduct which was intended to and, throughout the Class
18 Period, did: (i) deceive the investing public, including Plaintiff and other Class
19 members, as alleged herein; and (ii) cause Plaintiff and other members of the Class
20 to purchase SRAC's securities at artificially inflated prices. In furtherance of this
21 unlawful scheme, plan and course of conduct, the Count I Defendants, and each the
22 Count I Defendant, took the actions set forth herein.

23 348. The Count I Defendants (i) employed devices, schemes, and artifices to
24 defraud; (ii) made untrue statements of material fact and/or omitted to state material
25 facts necessary to make the statements not misleading; and (iii) engaged in acts,
26 practices, and a course of business which operated as a fraud and deceit upon the
27 purchasers of SRAC's securities in an effort to maintain artificially high market
28 prices for SRAC's securities in violation of Section 10(b) of the Exchange Act and

AMENDED COMPLAINT

Formatted: Header

Deleted: Stable Road

Deleted: CLASS

Formatted: Level 1, Space After: 12 pt, Line spacing: Exactly 12 pt

Formatted: All caps

Deleted: ALLEGATIONS

Deleted: 40. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class consisting of all purchasers of Stable Road securities during the Class Period. Excluded from the Class are defendants and members of their immediate families, the officers and directors of the Company, at all relevant times, and members of their immediate families, the legal representatives, heirs, successors or assigns of any of the foregoing, and any entity in which defendants have or had a controlling interest. 41.

Moved up [3]: The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class

Deleted: Throughout the Class Period, Stable Road securities were actively traded on the Nasdaq. 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 thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Stable Road 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. 42.

Moved up [4]: Plaintiff will fairly and adequately protect the

Deleted: 1

Moved up [5]: Common questions of law and fact exist as to all

Deleted: Among the questions of law and fact common to t...

Moved up [6]: <#>A class action is superior to all other available

Deleted: <#>Furthermore, as the damages suffered by indiv...

Moved up [7]: <#>There will be no difficulty in the management

Formatted: Underline

Deleted: For

Deleted: of §

Deleted: of the

Deleted: and

Deleted: 10b

Formatted: Underline

Formatted

Deleted: All

Deleted: 46.

Moved down [8]: Plaintiff repeats and realleges each and every

Deleted: 1

Formatted

Deleted: made not misleading; and (c) engaged in acts, pr...

Deleted: 49.

Deleted: the Class have suffered damages

Formatted: _Pld Footer Adjustment

1 Rule 10b-5. All the Count I Defendants are sued either as primary participants in
2 the wrongful and illegal conduct charged herein or as controlling persons as alleged
3 below.

4 349. The Count I Defendants, individually and in concert, directly and
5 indirectly, by the use, means or instrumentalities of interstate commerce and/or of
6 the mails, engaged and participated in a continuous course of conduct to conceal
7 adverse material information about SRAC's and Momentus's financial well-being
8 and prospects, as specified herein.

9 350. The Count I Defendants employed devices, schemes and artifices to
10 defraud, while in possession of material adverse non-public information and
11 engaged in acts, practices, and a course of conduct as alleged herein in an effort to
12 assure investors of SRAC's and Momentus's value and performance, which
13 included the making of, or the participation in the making of, untrue statements of
14 material facts and/or omitting to state material facts necessary in order to make the
15 statements made about SRAC, Momentus, and their business operations and future
16 prospects in light of the circumstances under which they were made, not misleading,
17 as set forth more particularly herein, and engaged in transactions, practices and a
18 course of business which operated as a fraud and deceit upon the purchasers of
19 SRAC's securities during the Class Period.

20 351. For each of Defendants Kokorich, Kennedy, Kabot, Norris, and
21 Hofmockel, primary liability and controlling person liability arise from the
22 following facts: (i) these Defendants were high-level executives and/or directors at
23 SRAC or Momentus during the Class Period and members of SRAC's or
24 Momentus's management team or had control thereof; (ii) each of these Defendants,
25 by virtue of their responsibilities and activities as a senior officer and/or director of
26 SRAC or Momentus, was privy to and participated in the creation, development and
27 reporting of SRAC's and/or Momentus's internal budgets, plans, projections and/or
28 reports; (iii) each of these Defendants enjoyed significant personal contact and

1 familiarity with the other Defendants and was advised of, and had access to, other
2 members of SRAC's and/or Momentus's management team, internal reports and
3 other data and information about SRAC's and/or Momentus's finances, operations,
4 and sales at all relevant times; and (iv) each of these Defendants was aware of
5 SRAC's and/or Momentus's dissemination of information to the investing public
6 which they knew and/or recklessly disregarded was materially false and misleading.

7 352. The Count I Defendants had actual knowledge of the
8 misrepresentations and/or omissions of material facts set forth herein, or acted with
9 reckless disregard for the truth in that they failed to ascertain and to disclose such
10 facts, even though such facts were available to them. Such Defendants' material
11 misrepresentations and/or omissions were done knowingly or recklessly and for the
12 purpose and effect of concealing SRAC's and Momentus's financial well-being and
13 prospects from the investing public and supporting the artificially inflated price of
14 SRAC's securities. As demonstrated by the Count I Defendants' overstatements
15 and/or misstatements of the SRAC's and Momentus's business, operations, financial
16 well-being, and prospects throughout the Class Period, these Defendants, if they did
17 not have actual knowledge of the misrepresentations and/or omissions alleged, were
18 reckless in failing to obtain such knowledge by deliberately refraining from taking
19 those steps necessary to discover whether those statements were false or misleading.

20 353. As a result of the dissemination of the materially false and/or
21 misleading information and/or failure to disclose material facts, as set forth above,
22 the market price of SRAC's securities was artificially inflated during the Class
23 Period. In ignorance of the fact that market prices of SRAC's securities were
24 artificially inflated, and relying directly or indirectly on the false and misleading
25 statements made by the Count I Defendants, or upon the integrity of the market in
26 which the securities trade, and/or in the absence of material adverse information that
27 was known to or recklessly disregarded by the Count I Defendants, but not disclosed
28 in public statements by Defendants during the Class Period, Plaintiff and the other

Formatted: Header

Deleted: , in reliance

Deleted: , they paid artificially inflated prices for Stable Road securities. Plaintiff and in which the securities trade, and/or in the

Formatted: _Pld Footer Adjustment

1 members of the Class acquired SRAC's securities during the Class Period at
2 artificially high prices and were damaged thereby.

3 354. At the time of said misrepresentations and/or omissions, Plaintiff and
4 other members of the Class were ignorant of their falsity, and believed them to be
5 true. Had Plaintiff and the other members of the Class and the marketplace known
6 the truth regarding the problems that SRAC and Momentum were experiencing,
7 which were not disclosed by Defendants, Plaintiff and other members of the Class
8 would not have purchased or otherwise acquired their SRAC securities, or, if they
9 had acquired such securities during the Class Period, they would not have done so at
10 the artificially inflated prices which they paid.

11 355. By virtue of the foregoing, the Count I Defendants violated Section
12 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

13 356. As a direct and proximate result of the Count I Defendants' wrongful
14 conduct, Plaintiff and the other members of the Class suffered damages in
15 connection with their respective purchases and sales of SRAC's securities during the
16 Class Period.

17 **COUNT II**

18 **Violation Of Section 10(b) Of The Exchange Act**
19 **And Rule 10b-5(a) And (c) Promulgated Thereunder**
20 **Against Defendants Momentum, Kokorich, Harms, And Kennedy**

21 357. Plaintiff repeats and realleges each and every allegation contained
22 above as if fully set forth herein.

23 358. This Count is asserted against Defendants Momentum, Kokorich,
24 Harms, and Kennedy (the "Count II Defendants"), and is based upon Section 10(b)
25 of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a) and (c) promulgated
26 thereunder by the SEC.

27 359. The Count II Defendants violated Section 10(b) of the Exchange Act
28 and Rule 10b-5(a) and (c) in that they:

Formatted: Header

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: Stable Road

Deleted: at the prices they paid, or at all

Deleted: been aware that the market prices had been

Deleted: and falsely

Deleted: by defendants' misleading statements

Deleted: 50.

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5",
Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start
at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: defendants'

Deleted: plaintiff

Deleted: Stable Road

Deleted: I

Formatted: Underline

Formatted: Underline

Formatted: _Hdg Center Bold, Indent: Hanging: 0.5", Don't
add space between paragraphs of the same style

Deleted: For

Moved (insertion) [8]

Deleted: §

Formatted: _Pld Footer Adjustment

Formatted: Header

1 (a) employed devices, schemes and artifices to defraud; and/or
2 (b) engaged in acts, practices and a course of business that operated
3 as a fraud or deceit upon Plaintiff and others similarly situated in connection with
4 their purchases of SRAC securities during the Class Period.

5 360. The Count II Defendants' wrongdoing under this count includes, *inter*
6 *alia*, failing to disclose to SRAC the information outlined in Sections V.A-C, *supra*,
7 regarding national security risks, untested technology, and unsupported financial
8 projections. The failure to disclose this information constituted a deceptive act
9 independent of the dissemination of the false statements to the public, but without
10 which the scheme to defraud could not have been effectuated. Without the Count II
11 Defendants' failure to disclose this information the false representations would
12 never have been made public.

13 361. The Count II Defendants' wrongdoing also includes the preparation of
14 financial data (including revenue data) and other information to be included in
15 SRAC's offering materials and investor presentations. The Count II Defendants'
16 preparation of these materials also constituted a deceptive act independent of the
17 dissemination of the false statements to the public, but without which the scheme to
18 defraud could not have been effectuated. Without the false and misleading financial
19 data, slides, narrative information and other materials provided by the Count II
20 Defendants to SRAC and the SRAC Individual Defendants, SRAC and the SRAC
21 Individual Defendants would not have been able to deceive SRAC's public
22 investors.

23 362. The Count II Defendants acted with scienter in that they knew (or
24 deliberately disregarded or were deliberately reckless in disregarding) that the public
25 documents and statements issued or disseminated in the name of SRAC, as
26 described above, were materially false and/or misleading; knew (or deliberately
27 disregarded or were deliberately reckless in disregarding) that assumptions that
28 Momentus would not be affected by national security risks, and that its technology

Formatted: _Pld Footer Adjustment

Formatted: Header

1 would work as planned, were used to formulate Momentus's financial projections;
2 knew (or deliberately disregarded or were deliberately reckless in disregarding) that
3 such financial projections were key to Momentus's pursuit of financing via the
4 proposed merger, knowing that SRAC would issue public statements or documents
5 incorporating this information and disseminate it to the investing public; and
6 knowingly (or recklessly) and substantially participated, or acquiesced in the
7 issuance or dissemination of such statements or documents as primary violations of
8 the securities laws.

9 363. The Count II Defendants, including Momentus and senior officers
10 and/or directors of Momentus, had actual knowledge of the truth regarding
11 Momentus's prospects for revenue growth, including factors which limited its
12 growth potential including national security risks and untested technology. The
13 Count II Defendants intended to deceive Plaintiff and the other members of the
14 Class, or, in the alternative, acted with reckless disregard for the truth when they
15 employed the devices, schemes and artifices to defraud; and/or engaged in the acts,
16 practices and a course of business described above.

17 364. As a result of the foregoing, the market price of SRAC securities was
18 artificially inflated during the Class Period.

19 365. In ignorance of the falsity of the Count II Defendants' statements, and
20 the schemes, acts and practices described above, Plaintiff and the other members of
21 the Class relied on the statements described above and/or the integrity of the market
22 price of SRAC securities during the Class Period in purchasing SRAC securities at
23 prices that were artificially inflated as a result of the Count II Defendants' schemes,
24 acts, and practices.

25 366. Had Plaintiff and the other members of the Class been aware that the
26 market price of SRAC securities had been artificially and falsely inflated by
27 Defendants, they would not have purchased SRAC's securities at the artificially
28 inflated prices that they did, or at all.

AMENDED COMPLAINT

Formatted: _Pld Footer Adjustment

1 367. As a result of the wrongful conduct alleged herein, Plaintiff and other
2 members of the Class have suffered damages in an amount to be established at trial.

3 368. By reason of the foregoing, the Count II Defendants have violated
4 Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) promulgated
5 thereunder and are liable to Plaintiff and the other members of the Class for
6 substantial damages which they suffered in connection with their purchase of SRAC
7 securities during the Class Period.

8 **COUNT III**

9 **Violation Of Section 20(a) Of The Exchange Act**
10 **Against The Individual Defendants And The Sponsor**

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

13 370. The Individual Defendants and the Sponsor acted as controlling persons
14 of SRAC and/or Momentum within the meaning of Section 20(a) of the Exchange
15 Act as alleged herein. By virtue of their high-level positions and their ownership
16 and contractual rights, participation in, and/or awareness of SRAC and/or
17 Momentum's operations and intimate knowledge of the false information provided
18 by Momentum to SRAC and/or filed by SRAC with the SEC and disseminated to the
19 investing public, the Individual Defendants and the Sponsor had the power to
20 influence and control and did influence and control, directly or indirectly, the
21 decision-making of SRAC and/or Momentum, including the content and
22 dissemination of the various statements which Plaintiff contends are false and
23 misleading. The Individual Defendants and the Sponsor were provided with or had
24 unlimited access to copies of SRAC's and/or Momentum's reports, press releases,
25 public filings, and other statements alleged by Plaintiff to be misleading prior to
26 and/or shortly after these statements were issued and had the ability to prevent the
27 issuance of the statements or cause the statements to be corrected.

Formatted: Header

Deleted: of the

Formatted: Underline

Formatted: Underline

Formatted: _Hdg Center Bold, Indent: Hanging: 0.5", Don't add space between paragraphs of the same style

Deleted: the

Deleted: and the

Formatted: Underline

Deleted: 51.

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: realleges

Deleted: 52.

Deleted: Stable Road

Deleted: §

Deleted: 53.

Deleted: as the Sponsor, the officers and/or directors of Stable Road and Momentum, and/or and

Deleted: beneficial

Deleted: of Stable Road

Deleted: Momentum securities, the Sponsor

Deleted: authority to,

Deleted: ,

Deleted: Stable Road and Momentum to engage in the wrongful conduct alleged.the statements to be corrected.

Formatted: _Pld Footer Adjustment

1 371. In particular, the Individual Defendants and the Sponsor had direct
2 and/or supervisory involvement in the day-to-day operations of SRAC and/or
3 Momentus and, therefore, had the power to control or influence the particular
4 transactions giving rise to the securities violations as alleged herein, and exercised
5 the same.

6 372. As set forth above, Defendants Momentus, SRAC, Kokorich, Harms,
7 Kennedy, Kabot, Norris, and Hofmockel each violated Section 10(b) and Rule 10b-5
8 by their acts and omissions as alleged in this Complaint. By virtue of their positions
9 as controlling persons, the Individual Defendants and the Sponsor are liable
10 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
11 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered
12 damages in connection with their purchases of SRAC's securities during the Class
13 Period.

14 **XV. PRAYER FOR RELIEF**

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

16 (a) Determining that this action is a proper class action under Rule
17 23 of the Federal Rules of Civil Procedure;

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

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

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

26 **XVI. JURY TRIAL DEMANDED**

27 Plaintiff hereby demands a trial by jury.
28

Formatted: Header

Deleted: 54. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the

Formatted: _2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Deleted: Stable Road

Deleted: 55. By reason of such conduct, defendants are liable pursuant to §20(a) of the Exchange Act.¶

Formatted: All caps

Formatted: _2.0sp 0.5"

Deleted: plaintiff

Deleted: A. Designating plaintiff as Lead Plaintiff and declaring

Formatted: _2.0sp 0.5", Indent: First line: 1"

Deleted: to be

Deleted: properly maintained pursuant to

Deleted: and plaintiff's counsel as Lead Counsel

Deleted: B.

Deleted: plaintiff

Deleted: of the Class damages together with

Deleted: C.

Deleted: plaintiff

Deleted: other members of

Deleted: of

Deleted: litigation

Deleted: reasonable attorneys'

Deleted: .

Deleted: , and other costs

Deleted: disbursements; and

Deleted: D. Awarding plaintiff and other members of the Class such(d)

Deleted: deems

Deleted: under the circumstances.

Formatted: Font: Bold, Underline

Deleted: ¶

Formatted: All caps

Deleted: DEMAND

Formatted: Normal, Line spacing: Exactly 24 pt

Deleted: DATED: July 15

Formatted: _Pld Footer Adjustment

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: November 12, 2021

GLANCY PRONGAY & MURRAY LLP

By: *s/ Garth A. Spencer*

Robert V. Prongay (SBN 270796)

rprongay@glancylaw.com

Casey E. Sadler (SBN 274241)

csadler@glancylaw.com

Charles Linehan (SBN 307439)

clinehan@glancylaw.com

Garth Spencer (SBN 335424)

gspencer@glancylaw.com

GLANCY PRONGAY & MURRAY LLP

1925 Century Park East, Suite 2100

Los Angeles, California 90067

Telephone: (310) 201-9150

Facsimile: (310) 201-9160

Counsel for Lead Plaintiff Hartmut Haenisch

THE LAW OFFICES OF FRANK R. CRUZ

Frank R. Cruz

1999 Avenue of the Stars, Suite 1100

Los Angeles, CA 90067

Telephone: (310) 914-5007

Email: *fcruz@frankcruzlaw.com*

Additional Counsel

Formatted: Header

Deleted: ¶

ROBBINS GELLER RUDMAN & DOWD

Deleted: DAVID C. WALTON BRIAN E. COCHRAN

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Font: Italic, Underline

Deleted: Brian E. Cochran

Formatted: Indent: Left: 2.5", First line: 0.5"

Deleted: BRIAN

Formatted: Indent: First line: 3"

Deleted: COCHRAN

Deleted: 655 West Broadway

Deleted: 1900 San Diego, CA 92101

Deleted: 619/231-1058 619/231-7423 (fax) *davew@rgrdlaw.com*
bcochran@rgrdlaw.com(310) 201-9150

Formatted: Indent: First line: 3"

Deleted: ROBBINS GELLER RUDMAN & DOWD LLP
SAMUEL H. RUDMAN 58 South Service Road, Suite 200 Melville,
NY 11747 Telephone: 631/367-7100 631/367-1173 (fax)
srudman@rgrdlaw.com

JOHNSON FISTEL, LLP FRANK J. JOHNSON 655 West
Broadway, Suite 1400 San Diego, CA 92101 Telephone: 619/230-
0063 619/255-1856 (fax) *frankj@johnsonfistel.com*
Attorneys for Plaintiff

Formatted: _Pld Footer Adjustment

PROOF OF SERVICE BY ELECTRONIC POSTING

I, the undersigned say:

I am not a party to the above case, and am over eighteen years old. On November 12, 2021, I served true and correct copies of the foregoing document (Declaration of Lead Trial Counsel) by posting the document electronically to the ECF website of the United States District Court for the Central District of California, for receipt electronically by the parties listed on the Court's Service List.

I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on November 12, 2021, at Los Angeles, California.

s/ Garth A. Spencer
Garth A. Spencer

Formatted: Header

Formatted: Indent: Left: 3.5"

Formatted: _Pld Footer Adjustment

Page 50: [1] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 74: [2] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [3] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [4] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [5] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [6] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [7] Formatted Garth Spencer 11/12/21 8:34:00 AM

Hdg Center Bold, Indent: Hanging: 0.5", Don't add space between paragraphs of the same style

Page 96: [8] Deleted Garth Spencer 11/12/21 8:34:00 AM

Page 96: [9] Formatted Garth Spencer 11/12/21 8:34:00 AM

2.0sp 0.5", Indent: Left: 0", First line: 0.5", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.75" + Indent at: 1"

Page 96: [10] Deleted Garth Spencer 11/12/21 8:34:00 AM