SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

ZALMON UVAYDOV, derivatively on behalf of CLOVER HEALTH INVESTMENTS, CORP., Plaintiff, v. CHAMATH PALIHAPITIYA, IAN OSBORNE, JACQUELINE D. RESES, JAMES RYANS, VIVEK GARIPALLI, and ANDREW TOY, Defendants, - and - CLOVER HEALTH INVESTMENTS, CORP., Nominal Defendant.	Index No. **SHAREHOLDER DERIVATIVE COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff Zalmon Uvaydov, by his undersigned attorneys, submits this Shareholder Derivative Complaint against Defendants Chamath Palihapitiya, Ian Osborne, Jacqueline D. Reses, James Ryans, Vivek Garipalli, and Andrew Toy on behalf of Nominal Defendant Clover Health Investments Corp. ("Clover" or the "Company"). Plaintiff makes the below allegations upon personal knowledge with respect to his own acts, and with respect to all other matters, on information and belief, and based on the investigation conducted by his counsel, which included review of public filings with the U.S. Securities and Exchange Commission (the "SEC"); news reports, press releases, and other publicly available sources; and documents produced by the Company pursuant to Plaintiff's demand to inspect corporate books and records pursuant to Section 220 of the Delaware General Corporation Law (the "Books and Records Demand").

NATURE AND SUMMARY OF THE ACTION

1. Nominal Defendant Clover began as a special purpose acquisition company ("SPAC") named Social Capital Hedosophia Holdings Corp. III ("SCH"). SCH was created and controlled by Defendants Palihapitiya and Osborne, who served on SCH's Board of Directors along with Defendants Reses and Ryans.

2. Like other SPACs, which are sometimes referred to as "blank check companies," SCH was created for the express purpose of raising money from public shareholders through an IPO and then using that money to buy an operating company. SCH completed its IPO in April 2020, raising more than $82,000,000 from public shareholders through issuance of common stock at $10.00 per share.

3. Defendants were highly incentivized to cause SCH to acquire an operating company following the IPO. Defendants' primary means of profiting from SCH was through so-called "Founder Shares," which they caused SCH to issue to themselves on favorable terms. Defendants acquired 20,700,000 Founder Shares for which they paid approximately $25,000 (or $0.0012 per share). Upon completion of a business combination, the Founder Shares would convert into ordinary common stock (*i.e.*, the same shares issued for $10.00 per share in the IPO), providing immediate windfall profits to Defendants.

4. On the other hand, if SCH failed to complete a business combination within two years of the IPO, it would be required to return money raised through the IPO to public shareholders, and the Founder Shares held by Defendants would be worthless.

5. To ensure they would profit from SCH, Defendants orchestrated a transaction (the "Merger") pursuant to which SCH acquired Clover Investments Corp. ("Legacy Clover"), a privately held Medicare Advantage insurer co-founded and controlled by Defendant Garipalli.

6. The terms of the Merger were negotiated, all due diligence was completed, and a formal Merger Agreement was signed by October 5, 2020, less than six months after SCH's IPO. However, the Merger remained subject to approval by SCH's public shareholders, who had the option to vote in favor of the acquisition of Legacy Clover, or redeem their shares for approximately the initial purchase price.

7. To secure shareholder approval of the Merger, and ensure they profited from SCH, Defendants undertook to sell the Merger to SCH's public shareholders. Defendants touted the supposed strength and growth prospects of Clover's Medicare Advantage business, particularly the "disruptive," cutting edge Clover Assistant software, which Defendants claimed enabled treating physicians to deliver better results at lower cost to Clover's members.

8. Defendants' efforts were successful, and the Merger was overwhelmingly approved by SCH shareholders in early January 2021. Upon completion of the Merger, SCH acquired the assets and operations of Legacy Clover and changed its name to Clover.

9. Less than a month later, Clover learned it had been sold a pig in a poke.

10. On February 4, 2021, Hindenburg Research LLC ("Hindenburg Research") published an investigative report detailing previously undisclosed facts regarding Legacy Clover's business and practices.

11. Hindenburg Research revealed that the U.S. Department of Justice (the "DOJ") was actively investigating at least a dozen different matters relating to Legacy Clover's business. The DOJ investigation posed an existential threat to Clover because a finding it had violated federal laws or regulations could result in exclusion from participation in the Medicare Advantage program, the source of virtually all of Clover's revenues.

12. Incredibly, Defendants later admitted that they had become aware of the DOJ investigation during their due diligence review of Legacy Clover, but had chosen not to disclose that information to SCH shareholders prior to the vote to approve the Merger.

13. Hindenburg Research further revealed that the flagship Clover Advantage software was an instrument for fraudulent billing practices, enabling Clover to obtain inflated, unjustified fees through the Medicare Advantage program, and that its use was one of the matters under investigation by the DOJ.

14. In addition, Hindenburg Research revealed improper, undisclosed dealings between Legacy Clover and affiliated entities. Most notably, Hindenburg's research uncovered that approximately 14% of Legacy Clover's members came through a brokerage firm secretly owned and controlled by Clover's own Head of Sales.

15. Hindenburg's revelations decimated Clover's market capitalization. Clover shares have traded as low as $5.00 per share, half of the IPO price, and less than one-third of the trading price in the weeks following the Merger.

16. While the Merger has been an unmitigated disaster for the Company, Defendants have been handsomely rewarded for their role in orchestrating it. Even after the collapse of Clover's stock price, the common stock Defendants received upon conversion of their Founder Shares are worth more than $100,000,000—more than 4,000 times what Defendants paid for their shares.

PARTIES

Plaintiff

17. Plaintiff Zalmon Uvaydov is a Clover stockholder. Plaintiff has held Class A common stock in the Company continuously since December 2020. Plaintiff is a citizen of the State of California.

Nominal Defendant

18. Nominal Defendant Clover Health Investments Corp. is a Delaware corporation that operates nationally, including in New York, and maintains a principal executive office in Franklin, Tennessee. The Company provides Medicare Advantage health plans to 57,000 members through a technology-based distribution platform. The Company was organized as a Cayman Islands exempted company on October 18, 2019 under the name Social Capital Heosophia Holdings Corp. III. On January 7, 2021, the Company completed the Merger with Clover Investments Corp. and redomiciled in Delaware.

SPAC Defendants

19. Defendant Chamath Palihapitiya was SCH's Chief Executive Officer and Chairman of the SCH Board of Directors (the "Board") from SCH's formation in October 2019 until the closing of the Merger in January 2021. Defendant Palihapitiya owned and controlled SCH's Sponsor, SCH Sponsor III LLC (the "Sponsor"). Defendant Palihapitiya, known as the "King of SPACs," is a serial sponsor of SPACs and has launched numerous SPACs in recent years, multiple of which are now subject to regulatory scrutiny and pending litigation. Defendant Palihapitiya signed the Agreement and Plan of Merger dated October 5, 2020 (the "Merger Agreement") between SCH and Legacy Clover. Defendant Palihapitiya also signed the Registration Statement on Form S-4 filed with the SEC on October 20, 2020 (the "Registration Statement"), including the amendments to the Registration Statement filed with the SEC on November 20, 2020, December 9, 2020, and December 10, 2020, and the Proxy Statement filed with the SEC on December 11, 2020 (the "Merger Proxy"). Defendant Palihapitiya is a citizen of the State of California.

20. Defendant Ian Osborne served as a member of SCH's Board from October 2019 until the closing of the Merger in January 2021, and as SCH's President from January 2020 until the closing of the Merger in January 2021. Along with Defendant Palihapitiya, Defendant Osborne

co-owned and controlled SCH's Sponsor. Defendant Osborne has long been Defendant Palihapitiya's right-hand man for various SPAC endeavors. In addition to SCH, Defendant Osborne has been appointed a director and officer of at least five of Defendant Palihapitiya's other SPACs. Defendant Osborne signed the Registration Statement and amendments thereto.

21. Defendant Jacqueline D. Reses served as a member of SCH's Board from April 2020 until the closing of the Merger in January 2021. Defendant Reses was appointed to the Board by Defendants Palihapitiya and Osborne. Defendant Reses previously served as a director for one of Defendants Palihapitiya and Osborne's earlier SPACs, Social Capital Hedosophia Holdings Corp., prior to that SPAC's business combination with Virgin Galatic. Defendant Reses signed the Registration Statement and amendments thereto. Defendant Reses is a citizen of the State of California.

22. Defendant James Ryans served as a member of SCH's Board and as Chair of SCH's Audit Committee from April 2020 until the closing of the Merger in January 2021. Defendant Ryans was appointed to the Board by Defendants Palihapitiya and Osborne. Like Defendant Reses, Defendant Ryans previously served as a director for Social Capital Hedosophia Holdings Corp. prior to its business combination with Virgin Galatic. Since 2021, Defendant Ryans has served as Chief Financial Officer for Social Capital L.P., a venture capital company founded by Defendant Palihapitiya, and for numerous SPAC entities formed by Defendant Palihapitiya, including Social Capital Hedosophia Holdings Corp. VI, and Social Capital Suvretta Holdings Corps. I, II, III, and IV. Defendant Ryans signed the Registration Statement and amendments thereto. Defendant Ryans is a citizen of the State of California.

23. Defendants Palihapitiya, Osborne, Reses and Ryans are collectively referred to as the "SPAC Defendants."

Legacy Clover Defendants

24. Defendant Vivek Garipalli co-founded Legacy Clover in 2013, and served as Legacy Clover's Chief Executive Officer and Chairman of Legacy Clover's Board of Directors until closing of the Merger in January 2021. Defendant Garipalli now serves as Clover's Chief Executive Officer and Chair of Clover's Board. Defendant Gairpalli has been friends with Defendant Palihapitiya for nearly ten years and was Defendant Palihapitiya's principal contact in arranging and negotiating the Merger. Defendant Garipalli signed the Merger Agreement on behalf of Legacy Clover, and was involved in preparing the Registration Statement and amendments thereto and other information provided to SCH shareholders in connection with approval of the Merger. Defendant Garipalli is a citizen of the State of New York.

25. Defendant Andrew Toy served as Legacy Clover's President and Chief Technical Officer from January 2020 until the closing of the Meger in January 2021. Defendant Toy now serves as Clover's President and Chief Technical Officer and as a member of Clover's Board. Defendant Toy was involved in preparing the Registration Statement and amendments thereto and other information provided to SCH shareholders in connection with approval of the Merger. Defendant Toy is a citizen of the State of California.

26. Defendants Garipalli and Toy are collectively referred to as the "Legacy Clover Defendants."

JURISDICTION AND VENUE

27. This Court has subject matter jurisdiction over this action under Section 626 of the New York Business Corporation Law.

28. Subject matter jurisdiction and venue are proper in this Court because Defendants transact a substantial amount of business in New York, have substantial ties to New York, are citizens or residents of New York, and/or otherwise maintain sufficient minimum contacts with

New York to render jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

29. Defendants, through Clover, have transacted business on a continuous basis within New York and contracted to supply goods or services in the State. New York is one of the eleven states in which Clover manages care for Medicare beneficiaries

30. Defendant Garipalli lives and works in New York, New York.

31. Defendant Palihapitiya directly solicits investments in his SPACs during meetings held in New York and speaks at investment conferences in New York. For example, four out of the five major PIPE investors that Defendant Palihapitiya solicited in connection with the business combination at issue here are private funds headquartered in New York City.

32. Defendant Reses held senior positions at Apax Partners in New York and Goldman Sachs in New York. Further, in January 2021, she was appointed to the board of directors of NYDIG, a provider of technology and investment solutions for Bitcoin, headquartered in New York.

33. Defendant Osborne previously worked for then New York City Mayor Michael Bloomberg.

34. Through the Merger and related misconduct set forth herein, Defendants have committed tortious acts within New York.

35. In connection with its IPO, SCH hired Credit Suisse as its book-running manager. The IPO prospectus could be obtained from Credit Suisse's office located in New York, New York.

36. In connection with the Merger, SCH's transfer agent was Continental Stock Transfer & Trust Company ("Continental"), located in New York, New York. In order for SCH's

public shareholders to redeem their shares, they had to deliver the shares to Continental. Thus, the redemption, or potential redemption, of SCH's stock occurred in this jurisdiction.

37. Further, SCH used Morrow Sodali LLC ("Morrow Sodali") for the Proxy Statement solicitations in connection with the Merger. Morrow Soldali maintains two offices in America, one of which is in New York, New York.

BACKGROUND REGARDING SPACs

38. A special purpose acquisition company or "SPAC" is a publicly traded company generally consisting of a pool of money raised for the purpose of acquiring a private company.Through a SPAC merger, the private company acquired by a SPAC becomes publicly traded without participating in a typical IPO process and the associated regulatory scrutiny.

39. SPACs are offered to the public by a SPAC sponsor, which typically consists of a group of individuals who are responsible for identifying and executing an acquisition. SPACs typically have a "completion window" of two years to identify and execute a business combination, after which point, if it has not completed a deal, the SPAC must return its funds to shareholders and dissolve.

40. If the SPAC sponsor identifies a target for an acquisition, the deal must be approved by the shareholders of the SPAC. If shareholders like the deal, then they may vote to approve it, and when it closes, their SPAC shares will convert to common stock in the target company. If shareholders do not like the deal, they may redeem their shares for approximately the same amount as their initial investment. The decision whether to support a proposed transaction is heavily dependent on the quality of the disclosures regarding the details of the proposed transaction, which must be truthful and honest so as to permit an informed vote.

41. SPAC sponsors may be compensated through "Founder Shares," which they acquire for a nominal price. Founder Shares may amount to 20% or more of the pre-business

combination stock of the SPAC. After a SPAC transaction is completed, Founder Shares convert automatically into common stock of the post-merger company, which is typically of much higher value.

42. Unless the SPAC identifies and executes a deal that shareholders approve, the founder shares are virtually worthless. As a result, SPAC sponsors may have strong financial incentives to close a SPAC transaction, creating significant potential conflicts of interest between sponsors and public shareholders.

43. Academics have described some SPAC transactions as "a get-rich-quick scheme that benefits the sponsor . . . at the expense of the nonredeeming shareholders."[1] One executive officer of a private company, who has been approached by approximately 30 SPACs in the past year, told the *Wall Street Journal* that "it's almost to the point where your company is irrelevant—they just want a deal."[2]

THE SPAC DEFENDANTS CREATE, CONTROL, AND AWARD THEMSELVES SUBSTANTIAL EQUITY HOLDINGS IN SCH

44. The SPAC at issue in this case, SCH, was created on around October 18, 2019. SCH's Sponsor was SCH Sponsor III LLC, a company owned and controlled by Defendants Palihapitiya and Osborne.

45. As acknowledged in SCH's prospectus, the Sponsor, and indirectly Defendants Palihapitiya and Osborne, had substantial control over SCH, including the powers to appoint the Board of Directors and to control SCH's operations until it completed a business combination.

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1 Michael Klausner, et. al., Yale Journal on Regulation, Forthcoming (2021).

2 Heather Somerville, For Startup Leaders, SPACs Have Lost Their Allure, Wall St. J. (May 21, 2021); *see also* Matt Levine, Money Stuff, Bloomberg (May 24, 2021) ("Successfully closing a deal, with any company, on any terms, makes the SPAC sponsors rich; failing to do so costs the sponsors money. When it comes to sponsor incentives, the company *is* irrelevant!") (emphasis in original).

46. Defendants Palihapitiya and Osborne used their control over SCH to appoint themselves and their allies (namely, Defendants Reses and Ryans) to the Board.

47. SCH conducted an IPO on or around April 24, 2020. In connection with the IPO, SCH raised approximately $828,000,000 in proceeds through the issuance of 82.8 million units for $10.00 per unit.

48. Each unit issued by SCH consisted of one Class A ordinary share and one-third of one redeemable warrant. Each whole warrant, in turn, entitled the holder to purchase one Class A ordinary share at a purchase price of $11.50 per share. Thus, for every three units purchased, the purchaser acquired three Class A ordinary shares at a price of $10.00 per share, and the right to acquire an additional Class A ordinary share at a purchase price of $11.50 per share.

49. The money raised through the IPO was deposited into a trust account pending completion of a business combination by SCH. If no business combination was effectuated within two years of the IPO, SCH would be required to redeem 100% of the public shares at a per-share price sufficient to distribute the aggregate amount then on deposit in the trust account, less certain fees and expenses.

50. Prior to the IPO, Defendants used their control over SCH to grant themselves substantial equity holdings in SCH on favorable terms.

51. In January 2020, Defendants Palihapitiya and Osborne, through the Sponsor, acquired 17,250,000 shares of SCH in exchange for only $25,000—*i.e.*, approximately $0.0014 per share. The shares acquired by Defendants Palihapitiya and Osborne were so-called "Founder Shares," classified as Class B shares. In the event of a business combination, the Founder Shares would convert to ordinary Class A shares, the same shares purchased by public shareholders in the IPO for $10.00 per share

52. In March 2020, the Sponsor transferred 100,000 of the Founder Shares to each of Defendant Ryans and Defendant Reses at their original discounted per share purchase price.

53. Then, on April 21, 2020, SCH effected a share capitalization resulting in an increase in the total number of Founder Shares issued and outstanding from 17,250,000 to 20,700,000. The share capitalization was designed to maintain the ownership of Founder Shares at 20% of SCH's total issued and outstanding shares after completion of the IPO.

54. Defendants Ryans and Reses waived their right to receive additional shares in the share capitalization, so the Sponsor, and indirectly Defendants Palihapitiya and Osborne, received the 3,450,000 newly issued Class B shares, bringing their total holdings to 20,500,000, with each of Defendants Ryans and Reses continuing to hold 100,000 shares. Following the share capitalization, Defendants collectively owned 20,700,000 Class B shares for which they paid approximately $25,000—*i.e.*, approximately $0.0012 per share.

55. The SPAC Defendants had a compelling financial interest to complete a business combination within two years of SCH's IPO. Completing a business combination would generate a massive windfall for the SPAC Defendants when their Class B shares, acquired at a discounted rate, would be converted into redeemable, full-value Class A shares in the acquired company. On the other hand, if Defendants failed to bring about a business combination, SCH would be required to return the IPO proceeds to the SCH's public shareholders, and Defendants' Class B shares would be rendered worthless.

THE SPAC DEFENDANTS ORCHESTRATE THE MERGER WITH LEGACY CLOVER

56. The SPAC Defendants wasted no time pursuing a business combination with Legacy Clover.

57. As early as June 3, 2020—less than six weeks after the IPO was completed—Defendant Palihapitiya began discussing a potential transation with his friend of nearly ten years Defendant Garipalli, Legacy Clover's co-founder, Chairman, and CEO.

58. Just over a week later, on June 11, 2020, SCH and Legacy Clover entered a non-disclosure agreement with Clover, and the SPAC Defendants commenced a purported "due diligence" review of Legacy Clover's business and operations.

59. On August 23, 2020—only four months after the IPO—Defendant Palihapitiya presented Defendant Garipalli with an initial non-binding letter of intent proposing terms for the Merger.

60. After further negotiations and discussions, on October 5, 2020, SCH and Legacy Clover entered a formal Merger Agreement, and the Merger was publicly announced the following day.

THE SPAC DEFENDANTS SECURE SHAREHOLDER APPROVAL OF THE MERGER

61. The proposed Merger was subject to approval by SCH shareholders, who had the option to either vote in favor of the Merger and become shareholders in Clover, or redeem their SCH shares for the initial offering price plus interest, less certain fees, expenses, and liabilities. A failed shareholder vote, or substantial redemptions by SCH shareholders, could jeopardize the Merger and require the SPAC Defendants to either renegotiate the deal with Legacy Clover or find another potential merger partner.

62. Thus, the SPAC Defendants set about selling the proposed Merger to SCH shareholders, aiming to convince them that Legacy Clover was a sound business with promising growth prospects, and that the acquisition price and other proposed terms of the Merger were fair and reasonable. The SPAC Defendants, led by Defendant Palihapitiya, did so through the press

release initially announcing the Merger, the Registration Statement and Merger Proxy filed with the SEC, investor presentations, and media interviews and appearances.

63. Legacy Clover operated primarily as a Medicare Advantage insurer in the United States. For 2019, 98.6% of the Company's net revenues and 98.8% of the Company's gross revenues were from Medicare Advantage premiums.

64. Medicare Advantage plans provide an alternative to traditional Medicare coverage. Under traditional Medicare, the U.S. Centers for Medicare & Medicaid Services ("CMS") pay for services rendered to Medicare participants using a "pay for service" model. In contrast, under Medicare Advantage, CMS pays a private insurance company a per-member-per-month rate to manage healthcare for each participant (or "member") of the plan.

65. The October 6, 2020 press release announcing the Merger touted Clover as "a true innovator in the Medicare Advantage space" that "has pioneered a fundamentally different approach to Medicare Advantage." In particular, the press release highlighted the supposed disruptive impact of the Company's flagship software, Clover Assistant.

> Founded in 2013, Clover has pioneered a fundamentally different approach to Medicare Advantage that focuses on driving affordability and partnering closely with physicians to deliver the best possible health outcomes for members. The Company offers affordable Medicare Advantage plans to eligible individuals, giving consumers access to broad and open healthcare networks, rich supplemental benefits and low out-of-pocket expenses.
>
> Technology is at the core of Clover's business – the Company is a true innovator in the Medicare Advantage space, deploying its own internally developed software to assist physicians with clinical decision-making at the point of care.
>
> Clover's flagship platform, the Clover Assistant, aggregates millions of relevant health data points – including claims, medical charts and diagnostics, among others – and uses machine learning to synthesize that data with member-specific information. This provides physicians with actionable and personalized insights at the

> point of care, offering suggestions for medications and dosages as well as the need for tests or referrals, among others, to ultimately improve health outcomes.
>
> The Clover Assistant enables a virtuous growth cycle, whereby improved health outcomes lead to superior economics that the Company shares with members through lower costs and rich benefits. In turn, the Company believes its best-in-class plans will continue to deliver market-leading growth, allowing the Clover Assistant to capture and synthesize more data and ultimately drive better care.
>
> Medicare Advantage is one of the largest and fastest growing markets in the U.S. healthcare system – but it is one that has seen little innovation and remains ripe for disruption. Worth $270 billion today and with an estimated value of $590 billion by 2025, the Medicare Advantage market provides a tremendous opportunity for growth.
>
> Today, Clover is the fastest growing Medicare Advantage insurer in the United States – among insurers with more than 50,000 members – and serves more than 57,000 members in 34 counties across 7 states. Spurred by favorable demographic tailwinds and its differentiaed, technology-driven approach, Clover has captured an average of 50 percent of the net increase in membership across its established markets over the last three years. Further, the Company's software-centric approach enables efficient expansion into new markets, including to historically underserved and rural communities.

66. Similarly, the Registration Statement described Clover's efforts to "disrupt [the Medicare Advantage] industry from within" and the central role of Clover Assistant software in the Company's business strategy:

> At Clover Health, we are singularly focused on creating great, sustainable healthcare to improve every life. We have centered our strategy on building and deploying technology that we belive will enable us to solve a significant data problem while avoiding the limitations of legacy approaches. Currently, as a next-generation Medicare Advantage insurer, we leverage our flagship software platform, the Clover Assistant, to provide America's seniors with highly affordable, "Obvious" PPO and HMO plans. By empowering physicians with data-driven, personalized insights at the point of care through our software platform, we believe we can improve

clinical decision-making and viably offer these "Obvious" plans at scale, through an asset-light approach. Today, we have the highest membership growth rate among Medicare Advantage plans in the United States with over 50,000 members and reach a broad array of consumers, including traditionally underserved populations. We belive our growth potential in existing and future markets is high.

We strive to make Clover the "Obvious" choice for Medicare eligible consumers by offering a PPO plan that is more affordable than those offered by our competitors . . . .

Like successful technology innovators in other sectors, we are seeking to disrupt our industry from within by building a technology-centric ecosystem, enabling rapid software iteration and dramatic value creation. Our internally-developed technology platform could have been built only because we operate it ourselves, within our own MA [Medicare Advantage] plan. This approach uniquely positions us to close the healthcare feedback loop with technology, linking clinical data and physician action.

The Clover Assistant enables us to succeed via a scalable technology-driven virtuous growth cycle:

- We broadly disseminate the Clover Assistant free-of-charge to primary care physicians ("PCPs") who use it at the point of care while treating our members.

- The Clover Assistant provides essential information and personalized care recommendations to better care for our members and strong plan performance. Powered by its closed feedback loop, our platform continuously improves as we collect more data from growth in engagement and continue to iterate.

- We invest our improved plan economics into lowering our members' out-of-pocket costs while improving their benefits, including broad freedom of choice in selecting their physicians.

- We drive strong, industry-leading organic membership growth as compared to other MA plans with over 50,000 members, as consumers select our "Obvious" plans and receive care from physicians on the Clover Assistant, generating broader usage of the platform and thus restarting the cycle.

> We have succeeded with this approach in our established markets and seek to replicate it in all markets that we enter.
>
> We drive adoption and use of the Clover Assistant across our PCP network by focusing on continuously improving its user-centric design, highly actionable and real-time clinical content, enhanced and rapid payment for Clover Assistant visits and simple onboarding. As of June 30, 2020, over 2,100 PCPs, who already treat our members and are responsible for caring for 61% of out total membership, had contracted to use the Clover Assistant to manage our members' care. In addition, the Clover Assistant delights physicians, as evidenced by our positive NPS [Net Promoter Score] of 64 for the three months ended June 30, 2020 . . . .

67. In the Proxy Statement, the SPAC Defendants recommended that SCH shareholders vote in favor of the Merger in view of Legacy Clover's "Large and Growing Market," "Growing Customer Base," and "Expansive Future Opportunities." The SPAC Defendants again specifically highlighted the role of Clover Assistant, explaining that "Physicians who use Clover Assistant . . . have experienced lower costs, less waste and better patient outcomes," which in turn "lead[s] to super economics" for Clover, enabling Clover to offer lower-cost plans than its competitors.

68. The SPAC Defendants also touted the nature and extent of the due diligence they conducted regarding Legacy Clover in order to to assure shareholders that the information presented to them regarding the Company's business and prospects was a reliable and sound basis to evaluate the Merger.

69. For example, Defendant Palihapitiya stated on an October 5, 2020 investor conference call that "Clover has been diligenced and validated not just by me and my team at Social Capital, but by some of the most respected blue chip technology investors in the world."

70. The Merger Proxy provided additional details regarding the SPAC Defendants' due diligence review of Legacy Clover:

> From June 30, 2020 through August 23, 2020, representatives of SCH held multiple meetings via teleconference and video teleconference and exchanged e-mails with representatives of Clover to discuss Clover's business operations, including financial information, historic and projected revenues and profits, views on competitive positioning, market opportunity, expansion, membership growth, background on the Clover management team and its existing investors, and other business due diligence matters, and the terms of a potential business combination transaction between the parties, including valuation and valuation methodology, subject to further due diligence review of Clover and its business operations by representatives of SCH.

71. The Merger Proxy also emphasized the importance of the due diligence review to the SPAC Defendants' recommendation that shareholders vote to approve it. Among the "SCH's Board of Directors' Reasons for the Business Combination," the Merger Proxy stated:

> **Results of Due Diligence**. The SCH board of directors considered the scope of the due diligence investigation conducted by SCH's senior management and outside advisors and evaluated the results thereof and information available to it related to Clover, including:
>
> a. extensive virtual meetings and calls with Clover's management team regarding its operations, projections and the proposed transaction; and
>
> b. review of materials related to Clover and its business, made available by Clover, including financial statements, material contracts, key metrics and performance indicators, benefit plans, employee compensation and labor matters, intellectual property matters, real property matters, information technology, privacy and personal data, litigation information, healthcare matters and other regulatory and compliance matters and other legal and business diligence.

72. As detailed below, however, key findings uncovered during the diligence process were concealed from shareholders, most notably, an ongoing regulatory investigation into Legacy Clover's business and marketing practices.

73. The SPAC Defendants' efforts to sell the Merger were a resounding success. On January 6, 2021, SCH Shareholders voted to approve the Merger, with approximately 99.5% of

the votes cast, representing approximately 65% of SCH's outstanding shares, voting in favor of the transaction. Redemptions were limited, with only 24,892 shares redeemed out of more than 82,000,000 outstanding shares.

74. Clover announced the closing of the Merger on January 7, 2021, and Clover's Class A common stock began trading the following day on the Nasdaq Global Select Market under the ticker symbol "CLOV."

HINDENBURG RESEARCH PUBLISHES DAMNING REVELATIONS ABOUT LEGACY CLOVER

75. On February 4, 2021—less than one month after the Merger closed—Hindenburg Research published a detailed report, entitled "Clover Health: How the 'King of SPACs' Lured Retail Investors into a Broken Business Facing an Active, Undisclosed DOJ Investigation" (the "Hindenburg Report"). The Hindenburg Report revealed damning information about Legacy Clover and its business practices, and alleged that Defendant Palihapitiya misled investors when he helped bring the Company public.

DOJ Investigation into Legacy Clover's Business Practices

76. The Hindenburg Report revealed for the first time that the DOJ was investigating at least twelve of Clover's business practices, including Clover's marketing practices, undisclosed third-party deals, and illegal kickbacks to physicians to use Clover Assistant.

77. The DOJ investigation was a significant revelation with potentially far-reaching effects for Clover's business. A finding that Clover violated any of the extensive federal laws and regulations applicable to Medicare contractors not only could result in Clover paying large fines, penalties, and disgorgement, it also could lead to Clover being excluded from participating in Medicare.

78. Exclusion from Medicare would be a devastating blow to Clover because, as admitted in the Merger Proxy, "Clover derives substantially all of its total revenues from Medicare Advantage premiums now and expect[s] to continue to derive a substantial portion of its total revenues in the future from Medicare Advantage premiums."

79. The Hindenburg Report specified that the DOJ's investigation was underway well before the Merger was approved by shareholders, quoting one employee as stating that the DOJ issued its Civil Invesitgative Demand (or "CID") "in late October last year, just weeks after [Defendant Palihapitiya's] announcement to take Clover public, and months ahead of the [filing of the Merger Proxy and the] ultimate go-public transaction."

Clover Assistant Is Used to Inflate Clover's Fees from CMS, and Legacy Clover Bribed Physicians to Use It

80. The Hindenburg Report also included important revelations regarding Clover's flagship software, Clover Assistant. Rather than being the disruptive technology touted by Defendants, the Hindenburg Report revealed that Clover Assistant was used to exploit the financial incentives inherent in CMS's compensation structure for Medicare Advantage insurers and increase Clover's revenues.

81. The monthly per-member rate paid by CMS to Medicare Advantage insurers, such as Clover, is based on each individual member's "risk assessment score." CMS assigns a higher risk assessment score, and pays a higher monthly rate, for sicker patients, who are expected to require more frequent and/or more expensive health care.

82. According to former Clover employees and physicians interviewed by Hindenburg Research, Clover Assistant was designed to increase members' risk assessment scores and thus the amounts Clover received from CMS, irrespective of an individual member's actual health or expected use of healthcare services. The Hindenburg Reprot stated:

> Multiple former employees explained that Clover's software is primarily a tool to help the company increase coding reimbursement. We provide deail on how the software captures and retains irrelevant diagnoses, which we believe deceives the healthcare system, and poses a significant regulatory risk . . . . While Clover claims its software tool, Clover Assistant, is aimed at helping doctors improve patient care, former employees told us that it was first and foremost a coding tool. According to one former employee: "The core feature of the platform is it increases revenue by identifying chronic conditions that people have and CMS with pay that . . . . That's the core business proposition."

83. Another employee stated: "[i]f you make this patient look really, really sick, you are going to get more money from the government."

84. In another strategy intended to increase risk assessment scores, Clover Assistant would maintain outdated records, which prevented a lower risk adjustment score. For example, one doctor using Clover Assistant stated that Clover "is like constantly throwing those codes back in our face for everything that's ever come up when they are irrelevant now." Another doctor told Hindenburg Research, "Let's say somebody came in with diabetes. They lost a bunch of weight. They exercise. They don't have diabetes anymore. That diabetes is still on the record."

85. The Hindenburg Report further revealed that Clover had been paying doctors $200 per visit—twice the normal amount insurers paid doctors—to encourage them to use the software. A former employee interviewed by Hindenburg Research explained: "If you are paying doctors $200 for a click but you are able to increase the severity of patients that you've diagnosed, it's worth it because you are drawing down thousands of dollars (from Medicare) for a couple of clicks. To me that's why they have this."

86. In addition, in contrast to the SPAC Defendants' characterization that Clover Assistant "delights physicians," other physicians and former employees interviewed by

Hindenburg Research described the software as "embarrassingly rudimentary," "a waste of my time," and "just another administrative hassle to deal with."

87. Both the alleged use of Clover Assistant to inflate risk assessment scores for Clover members and "[p]ayments related to 'Clover Assistant'" are among the issues being investigated by the DOJ.

Legacy Clover Had Improper, Undisclosed Dealings with Affiliates

88. The Hindenburg Report also revealed previously undisclosed dealings between Clover and affiliated entities.

89. Clover has a wholly owned subsidiary named Seek Insurance Services, Inc. ("Seek Insurance"). Seek Insurance maintains a website called SeekMedicare.com, which advises seniors on which Medicare plans to choose. On the website, Seek Insurance advertises itself as providing "unbiased," "independent advice that puts your well-being above all else." It goes so far as to claim: "We Don't Work for Insurance Companies. We Work for You."

90. In fact, however, Seek Insurance is owned by Clover, an insurance company that provides healthcare plans targeted to Medicare-eligible individuals. Until the Hindenburg Report was published, Seek Insurance made no mention of this relationship on its website.

91. Clover's relationship with, and marketing practices through Seek Insurance, are among the matters under investigation by the DOJ, with the DOJ's CID seeking information relating to "An online platform known as 'Seek Medicare.'"

92. The Hindenburg Report also revealed that a substantial portion of Clover's sales derive from a previously undisclosed relationship with a brokerage firm controlled by Clover's Head of Sales Hiram Bermudez.

93. Before joining Clover in 2012, Mr. Bermudez worked for a brokerage firm named B&H Assurance, LLC ("B&H"). "B&H" stands for Bermudez & Henson.

94. B&H acts as an intermediary between insurance companies and brokers, negotiating sales deales with the insurance companies that a network of agents can then offer and sell to customers.

95. After joining Clover, Mr. Bermudez remained affiliated with B&H, continuing to own 50% the firm. However, until the Hindenburg Report was published, neither Clover nor Mr. Bermudez disclosed his ongoing relationship with B&H.

96. To the contrary, in an transparent effort to avoid scrutiny of Clover's dealings with B&H, Mr. Bermudez appears to have wiped his full name from any public connection with B&H, including the firm's website, and listed his wife, rather than himself, as an affiliate of B&H in filings with the National Association of Insurance Commissioners.

97. In the wake of the Hindenburg Report, Clover's stock price plunged more than 12%, or $1.72 per share, erasing over $695 million in market capitalization. The Company's stock price has continued to fall, and now trades below $5.00 per share, less than half the IPO price, and down more than 66% from its trading price of approximately $16.00 per share following completion of the Merger.

CLOVER ADMITS KEY FACTS FROM THE HINDENBURG REPORT

98. After the Hindenburg Report was released, the Company conceded, remarkably, that Defendant Palihapitiya had *actual knowledge of the DOJ investigation* before stockholders voted on the Merger, stating in its "Response to Hindenburg Research," released the following day, that "Chamath [Palihapitiya] and Clover were fully aware of the DOJ Inquiry."

99. Nevertheless, Defendant Palihapitiya and Clover chose not to disclose the DOJ investigation and associated regulatory issues to shareholders.

100. In its Response to Hindenburg Research, the Company stated:

> Clover has received a request for information from the Justice Department, to which, as we do with all requests from regulatory bodies, we responded. This was on a voluntary basis. Clover has conducted a detailed review of matters potentially addressed by the DOJ request for information and has concluded that it is in compliance with all laws and regulations material to its business. Up until the publishing of the short selling report yesterday morning, Clover was unaware of any other ongoing investigations of the Company, its officers, or any companies with which they are affiliated. Following the report yesterday, Clover received notice of an investigation from the SEC. We believe this inquiry is based on the short selling report issued yesterday morning.

101. The SPAC Defendants explained that they had "concluded that the [] DOJ's request for information was not material and was not required to be specifically disclosed in our SEC filings." Those matters were not considered by the full SCH Board. Moreover, this conclusion was legally erroneous on its face. The disclosure was required by multiple securities laws, including Item 303 of Regulation S-K, Rule 14a-9, promulgated under the Exchange Act, as well as ASC 450-20 as a loss contingency

102. Moreover, notwithstanding each of the independent statutory disclosure obligations set forth above, the SPAC Directors were required by their fiduciary duties owed to the SPAC to disclose the DOJ investigation, given its significance to Clover's business prospects and the broad, exaggerated statements the Board made about the diligence process.

103. Clover's Response further confirmed certain of the Hindenburg Report's revelations regarding Clover Assistant. It admitted that Clover pays primary care physicians "roughly twice the traditional Medicare fees" to encourage them to use Clover Assistant. It further

admitted that usage nevertheless remains relatively low, with only 22% of primary care physiciams, and only 4% of physicians overall, using the software.

104. Clover's response also provided additional information about the Company's dealings with B&H, the brokerage firm secretly controlled by Clover's Head of Sales, Mr. Bermudez. In particular, it admitted that "[a]pproximately 8,200 of our current members were referred by B&H Assurance to Clover." In other words, B&H accounts for more than 14% Clover's approximately 57,000 members.

105. While Clover initially stated in the Response that it had paid Mr. Bermudez only $160,000 since 2017, that number was wrong. On March 29, 2021, Clover publicly corrected that statement, admitting that Clover had paid B&H approximately $1.36 million since 2017 and Mr. Bermudez himself received over $500,000 during that time.

THE SPAC DEFENDANTS BREACHED THEIR FIDUCIARY DUTIES

106. The SPAC structure and the SPAC Defendants' holdings of Founder Shares created a strong financial incentive for the SPAC Defendants to complete a business combination and to complete it quickly. Only by failing to complete a business combination, or failing to secure shareholder approval for a proposed business combination, would the SPAC Defendants fail to profit.

107. Regardless of the long-term merits of the business combination, the SPAC Defendants would receive windfall profits when their Founder Shares, acquired at minimial out-of-pocket cost, were converted into Class A shares. Indeed, even after the Company's stock price collapsed in the wake of the Hindenburg Report, the 20,700,000 shares received by the SPAC Defendants upon conversion of their Founders Shares are worth over $100,000,000—more than 4,000 times what they paid to acquire them.

108. Motivated by these financial incentives, the SPAC Defendants immediately pursued the Merger with Legacy Clover, a company owned and controlled by Defendant Palihapitiya's friend, and they pressed ahead with the Merger even when due diligence revealed that Clover was subject to a wide-ranging DOJ investigation that threatens the very core of its business.

109. In seeking shareholder approval of the Merger, the SPAC Defendants failed to provide SCH shareholders with the information necessary to evaluate the proposed Merger and determine whether to approve the Merger or exercise their right to redeem their shares.

110. The SPAC Defendants failed to disclose the existence of the DOJ investigation, despite being made aware of it during the due diligence process. Indeed, Defendants falsely stated in the Registration Statement that Clover "work[s] diligently to ensure compliance with all applicable laws and regulations" and was "not presently involved in any legal proceeding the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition."

111. While the SPAC Defendants now claim they believed the DOJ investigation was not "material," the market reaction upon disclosure of the investigation in the Hindenburg Report suggests otherwise. In any event, SCH shareholders should have been given the opportunity to evaluate for themselves whether the investigation was material and whether they wanted SCH to proceed with the acquisition notwithstanding the investigation, but the SPAC Defendants' failure to disclose the existence of the investigation deprived them of that opportunity.

112. The SPAC Defendants also misrepresented Legacy Clover's business and growth prospects.

113. The SPAC Defendants claimed that Legacy Clover's flagship software, Clover Assistant, provides a competitive advantage, resulting in better healthcare outcomes at lower cost, and "delights" physicians. In reality, however, Clover Assistant is a tool to inflate members' risk assessment scores and generate higher fees for Clover, a practice subject to the DOJ's investigation. Moreover, faced with relatively low usage rates of Clover Assistant, Legacy Clover has resorted to paying higher fees to physicians to encourage them to use the software, which also is being investigated by the DOJ.

114. The SPAC Defendants also failed to inform SCH shareholders of Legacy Clover's improper and undisclosed dealings with affiliates, including the fact that a brokerage firm owned and controlled by Clover's own Head of Sales accounts for an astounding 14% of Clover's members.

115. The truth about Legacy Clover's business ultimately was revealed, but not until after the Merger had been completed and the SPAC Defendants had been richly rewarded through conversion of their Founder Shares.

116. SCH, now Clover, was left holding the bag. Its market capitalization has been devastated, and it faces ongoing costs from defending and likely settling regulatory investigations and stockholder litigation.

THE LEGACY CLOVER DEFENDANTS AIDED AND ABETTED THE BREACHES OF FIDUCIARY DUTIES

117. The SPAC Defendants did not act alone in orchestrating and securing shareholder approval for the Merger. Their efforts were aided and abetted by the Legacy Clover Defendants Garipalli and Toy.

118. The Legacy Clover Defendants were extensively involved in all aspects of the due diligence process, gathering, providing, and assisting in analysis and interpretation of the information requested by the SPAC Defendants and their representatives.

119. The Legacy Clover Defendants also were involved in securing approval of the Merger by SCH Shareholders. They assisted in preparing and drafting the information provided to SCH Shareholder, including the Registration Statement and the Proxy Statement. Moreover, the Legacy Clover Defendants participated in investor conferences and media appearances, in which they made false and misleading statements regarding Legacy Clover's business and prospects.

DAMAGES TO CLOVER

120. As a result of Defendants' actions, Clover disseminated improper public statements, devastating the Company's credibility, and destroying more than half of its post-IPO market capitalization.

121. Further, as a direct and proximate result of Defendants' actions, Clover has expended, and will continue to expend, significant sums. These expenditures include, but are not limited to:

a. costs incurred in defending and paying any settlement in class actions for violations of the federal securities laws that have been filed by Clover shareholders;

b. costs incurred in defending and paying any settlement in connection with governmental investigations, including the investigation announced by the SEC after publication of the Hindenburg Report;

c. the excessive price paid for Legacy Clover;

d. the windfall stock gains reaped by Defendants; and

e. costs incurred from compensation and benefits paid to the Individual Defendants who have breached their duties to Clover.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

122. Plaintiff brings this action derivatively in the right and for the benefit of Clover to redress injuries suffered, and to be suffered, by the Company as a direct result of breaches of fiduciary duty and unjust enrichment by the SPAC Defendants, and the Legacy Clover Defendants' aiding and abetting of those breaches of fiduciary duties.

123. Clover is named as a nominal defendant solely in a derivative capacity. This is not a collusive action to confer jurisdiction on this Court that it would not otherwise have.

124. Plaintiff will adequately and fairly represent the interests of Clover in enforcing and prosecuting its rights.

125. Plaintiff was a shareholder of Clover at the time of the wrongdoing complained of, has continuously been a shareholder since that time, and is a current Clover shareholder.

126. The current Board of Clover consists of the following seven individuals: Legacy Clover Defendants Garipalli and Toy, and nondefendants Nathaniel S. Turner ("Turner"), Chelsea Clinton ("Clinton"), Demetrious L. Kouzoukas ("Kouzoukas"), William G. Robinson, Jr. ("Robinson"), and Lee A. Shapiro ("Shapiro").

127. Plaintiff has not made any demand on the present Board to institute this action because a majority of the members of the Board are interested in the challenged transaction, and thus a demand would be futile.

128. In the Merger Proxy, the Legacy Clover Defendants, Clinton, and Turner admit that they have "interests in the [Merger] that are different from, or in addition to, those of SCH's shareholders and warrant holders." The Merger Proxy continues that "[t]hese interests include,

among other things, the … [t]reatment of [Legacy] Clover [e]quity [a]wards in the [b]usiness [c]ombination."

129. In particular, Legacy Clover's officers and directors would have tens of millions of Legacy Clover options and restricted stock units ("RSUs") converted from illiquid holdings in a private company to liquid holdings of a publicly traded company, Clover. The value of these awards is outlined below.

Name	Options(1)	RSUs(1)(2)	Intrinsic Value(1)
Vivek Garipalli	—/—	7,164,969/7,164,969	$71,649,690/$71,649,690
Andrew Toy	12,778,957/12,780,664	3,582,484/3,582,484	$125,340,129/$125,352,085
Gia Lee	1,911,266/1,911,522	—/—	$14,996,206/$14,998,214
Joseph Wagner	641,944/642,030	—/—	$4,582,761/$4,583,374
Jamie L. Reynoso	516,796/516,627	—/—	$2,801,526/$2,800,634
Chelsea Clinton(3)	685,080/685,172	—/—	$4,650,414/$4,648,653
Nathaniel S. Turner	—/—	—/—	—/—

130. Further, "[i]n connection with the [Merger], the combined company board of directors [] adopt[ed] a new non-employee director compensation policy…. The new policy provides for annual cash retains and certain RSU awards that will be granted following the [Merger]." The Company admits in its filings with the SEC that prior to the Merger it did not have a compensation policy for the nonemployee directors and only reimbursed them for reasonable expenses occurred in connection with their attendance at board meetings "and occasionally granted stock options." For 2020, the Company did not provide the nonemployee directors with any cash, equity, or other compensation. However, under the new plan entered into in connection with the Merger, Turner and Clinton each received cash and equity compensation worth over $300,000. The value of these awards is outlined below:

Name	Cash Compensation	RSU Value	Total
Chelsea Clinton	$ 75,000	$ 250,000	$325,000
Nathanial S. Turner	$ 67,500	$ 250,000	$317,500

131. In addition, Robinson and Shapiro each received $400,000 in RSUs, and Kouzoukas received $200,000 in RSUs.

132. Each of these directors has also received the reputational advantage of serving on the board of a publicly traded company.

133. In addition, the Legacy Clover Director Defendants face substantial liability in connection with their actions for two independently dispositive reasons.

134. First, the Legacy Clover Defendants, Garipalli and Toy, are liable for aiding and abetting the breaches of fiduciary duties of the SPAC Defendants, as alleged herein.

135. Second, Defendant Garipalli is the Company's current CEO, and Defendant Toy is the Company's current President and Chief Technical Officer, and both served in those roles prior to the Merger. In addition, nondefendants Clinton, Turner, and Shapiro were each directors of Legacy Clover. In these roles, Defendants Garipalli and Toy, and nondefendants Clinton, Turner, and Shapiro directly oversaw the illegal kickback schemes, undisclosed dealings with affiliates, and other matters that are the subject of active investigations by the DOJ and the SEC. As a result, they would be unwilling to approve any derivative action involving those matters because any discovery could turn up illegal activity for which there could be criminal and/or civil penalties.

CAUSES OF ACTION

COUNT I
Breach Of Fiduciary Duty
(Against the SPAC Defendants)

136. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

137. As directors and/or officers of a Cayman entity, the SPAC Defendants owed fiduciary duties to the SPAC under both common law and statute.

138. For the reasons set forth above, the SPAC Defendants violated and breached those fiduciary duties and obligations.

139. Clover suffered damages as a result of of the SPAC Defendants' breaches of fiduciary duties.

140. Although the Amended and Restated Memorandum and Articles of Association of the SPAC exculpates its directors and officers for some liability, it expressly provides that directors and officers are liable for damages caused due to their "actual fraud, willful neglect or willful default." Further, Cayman law prohibits exculpation for fraud or any breach of the core fiduciary duties of honesty and good faith. Thus, the SPAC Defendants are subject to unexculpated liability.

141. Plaintiff, as a shareholder and representative of Clover, seeks relief for the damages caused by the SPAC Defendants' breaches of fiduciary duty.

COUNT II
Unjust Enrichment
(Against the SPAC Defendants)

142. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

143. By their wrongful acts and omissions, the SPAC Defendants were unjustly enriched at the expense of and to the detriment of Clover by their receipt of compensation and remuneration obtained while breaching duties owed to Clover.

144. Plaintiff, as a shareholder and representative of Clover, seeks restitution from the SPAC Defendants, and seeks an order of this Court disgorging all profits, benefits, and other compensation obtained by the SPAC Defendants from their wrongful conduct and fiduciary breaches.

145. Plaintiff, on behalf of Clover, has no adequate remedy at law.

COUNT III
Aiding And Abetting
(Against the Legacy Clover Defendants)

146. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

147. For the reasons alleged above, the SPAC Defendants breached their fiduciary duties as directors and/or officers of Clover.

148. The Legacy Clover Defendants knowingly participated in and facilitated the SPAC Defendants' breaches of fiduciary duties.

149. Clover suffered damages as a result of of the SPAC Defendants' breaches of fiduciary duties and the Legacy Clover Defendants' aiding and abetting of those breaches of fiduciary duties.

150. Plaintiff, as a shareholder and representative of Clover, seeks relief for the damages caused by the SPAC Defendants' breaches of fiduciary duty and the Legacy Clover Defendants' aiding and abetting of those breaches of fiduciary duty.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of Clover, demands judgment as follows:

A. Against all Defendants and in favor of the Company for the amount of damages sustained by the Company as a result of the SPAC Defendants' breaches of fiduciary duties and unjust enrichment, and the Legacy Clover Defendants' aiding and abetting of those breaches of fiduciary duties;

B. Awarding to Clover restitution from Defendants, and each of them, and ordering disgorgement of all profits, benefits, and other compensation obtained by Defendants;

C. Extraordinary equitable and/or injunctive relief as permitted by law, equity, and statutory provisions, including attaching, impounding, imposing a constructive trust on, or otherwise restricting the proceeds of Defendants' trading activities or their other assets to ensure that Plaintiff on behalf of the Company has an effective remedy;

D. Awarding to Plaintiff reasonable attorneys' fees, expert fees, and all other costs and disbursements incurred in prosecuting this action; and

E. Granting such other and further relief as this Court deems just and proper.

JURY DEMAND

Plaintiff hereby demands a jury trial on all triable claims.

Dated: December 14, 2021

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