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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

_____, Individually and on behalf of all others
similarly situated,

Plaintiff,

v.

XP INC., THIAGO MAFFRA, and BRUNO
CONSTANTINO ALEXANDRE DOS
SANTOS,

Defendants.

Case No:

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

JURY TRIAL DEMANDED

Plaintiff ____ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, among other things, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, public filings, wire and press releases published by and regarding XP Inc. (“XP” or the “Company”), and information readily obtainable

on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.¹

NATURE OF THE ACTION

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded XP securities between April 13, 2022 and March 11, 2025, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendant’s violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

JURISDICTION AND VENUE

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

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

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

¹ Unless otherwise noted, emphasis is added.

PARTIES

6. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased XP securities during the Class Period and was economically damaged thereby.

7. Defendant XP describes itself as “a leading, technology-driven platform and a trusted provider of low-fee financial products and services in Brazil.”

8. XP has further stated the following about its business:

XP provides customers with two principal types of offerings, (i) financial advisory services for retail clients in Brazil, high-net-worth clients, international clients and corporate and institutional clients, and (ii) an open financial product platform providing access to over 800 investment products including equity and fixed income securities, mutual and hedge funds, structured products, life insurance, pension plans, real-estate investment funds (REITs) and others from XP, its partners and competitors.

9. XP is incorporated in the Cayman Islands and its head office is located in the Cayman Islands. Upon information and belief, XP’s financial products are primarily marketed in Brazil. XP has offices in New York, New York. XP’s common stock trades on the NASDAQ exchange under the ticker symbol “XP.”

10. Defendant Thiago Maffra (“Maffra”) served as the Company’s Chief Executive Officer (“CEO”) throughout the Class Period.

11. Defendant Bruno Constantino Alexandre dos Santos (“Constantino”) served as the Company’s Chief Financial Officer (“CFO”) and Corporate Secretary throughout the Class Period. He also serves on the board of directors (the “Board”)

12. Defendants Maffra and Constantino are collectively referred to herein as the “Individual Defendants.”

13. Each of the Individual Defendants:

(a) directly participated in the management of the Company;

- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

14. XP is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

15. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to the Company under *respondeat superior* and agency principles.

16. XP and the Individual Defendants are collectively referred to herein as "Defendants."

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

17. On April 13, 2022, XP filed with the SEC its annual report on Form 20-F for the

year ended December 31, 2021 (the “2021 Annual Report”). Attached to the 2021 Annual Report were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by Defendants Maffra and Constantino attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

18. The 2021 Annual Report contained the following statement about the Company’s internal control over financial reporting:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards, or “IFRS” issued by the International Accounting Standards Board, or “IASB.”

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2021. Using the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or “COSO.”

Based on this assessment and those criteria, our management has concluded that our internal controls over financial reporting was effective as of December 31, 2021.

Additionally, the effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers Auditores Independentes Ltda., an independent registered public accounting firm, as stated in its report.

19. The statement in ¶ 18 was materially false and misleading at the time it was made because the Company materially overstated its business prospects and results generated from two of its investment funds, calling into question the effectiveness of its internal controls and leading

to accusations of financial misconduct.

20. The 2021 Annual Report contained the following risk disclosure:

Our investment services to our retail clients subject us to additional risks.

We provide investment services to our retail clients, including through IFAs. The risks associated with these investment services include those arising from possible conflicts of interest, unsuitable investment recommendations, inadequate due diligence on the issuer or the provider of the security, inadequate disclosure and fraud. Realization of these risks could lead to liabilities for client losses, regulatory fines, civil penalties and harm to our reputation and business. The realization of these risks may be heightened during periods of increased market volatility, which may result in unexpected losses in the products provided to our retail clients.

21. The statement in ¶ 20 was materially false and misleading at the time it was made because it omitted that the Company masked revenues accrued from the sale of predatory investment products to retail investors as proprietary trading profits.

22. The 2021 Annual Report contained the following risk disclosure:

Poor investment performance could lead to a loss of assets under management and a decline in revenues.

Distributing investment fund quotas managed by third parties or by our asset managers represents a relevant part of our business, which income is a percentage of the management and/or performance fee related to such funds. Moreover, a portion of our consolidated income is derived from management and performance fees collected by our three principal asset managers, XP Gestão, XP Advisory and XP Vista. Poor investment performance by the investment funds managed by third parties or by our asset managers for a number of reasons, including the overall market declines and increased volatility due to the COVID-19 pandemic, could continue to hinder our growth and reduce our revenues because (1) existing clients might withdraw funds in favor of better performing products or fixed income products, such as government debt, which would result in lower investment advisory and other fees; (2) our ability to attract capital from existing and new clients might diminish; and (3) the negative investment performance will directly reduce our managed assets and revenues base, which may have a material adverse effect on our business, financial condition, results of operations and the price of our Class A common shares.

23. The statement in ¶ 22 was materially false and misleading at the time it was made because it omitted that the Company misrepresented profits generated from the sale of predatory investment products as profits gained through proprietary trading.

24. On April 27, 2023, XP filed with the SEC its annual report on Form 20-F for the year ended December 31, 2022 (the “2022 Annual Report”). Attached to the 2022 Annual Report were certifications pursuant to SOX signed by Defendants Maffra and Constantino attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company’s internal control over financial reporting and the disclosure of all fraud.

25. The 2022 Annual Report contained the following statement about the Company’s internal control over financial reporting:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards, or “IFRS” issued by the International Accounting Standards Board, or “IASB.”

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. Using the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or “COSO.”

Based on this assessment and those criteria, our management has concluded that our internal controls over financial reporting was effective as of December 31, 2022.

Additionally, the effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers Auditores Independentes Ltda., an independent registered public accounting firm, as stated in its report.

26. The statement in ¶ 25 was materially false and misleading at the time it was made because the Company materially overstated its business prospects and results generated from two of its investment funds, calling into question the effectiveness of its internal controls and leading to accusations of financial misconduct.

27. The 2022 Annual Report contained the following risk disclosure:

Our investment services to our retail clients subject us to additional risks.

We provide investment services to our retail clients, including through IFAs. The risks associated with these investment services include those arising from possible conflicts of interest, unsuitable investment recommendations, inadequate due diligence on the issuer or the provider of the security, inadequate disclosure and fraud and risk associated to investments in general, including those related to the issuer of the securities. Realization of these risks could lead to liabilities for client losses, regulatory fines, civil penalties and harm to our reputation and business. The realization of these risks may be heightened during periods of increased market volatility, which may result in unexpected losses in the products provided to our retail clients.

28. The statement in ¶ 27 was materially false and misleading at the time it was made because it omitted that the Company masked revenues accrued from the sale of predatory investment products to retail investors as proprietary trading profits.

29. The 2022 Annual Report contained the following risk disclosure:

Poor investment performance could lead to a loss of assets under management and a decline in revenues.

Distributing investment fund quotas managed by third parties or by our asset managers represents a relevant part of our business, which income is a percentage of the management and/or performance fee related to such funds. Moreover, a portion of our consolidated income is derived from management and performance fees collected by our three principal asset managers, XP Gestão, XP Advisory and XP Vista. Poor investment performance by the investment funds managed by third parties or by our asset managers for a number of reasons, including the overall market declines and increased volatility due to the COVID-19 pandemic, could continue to hinder our growth and reduce our revenues because (1) existing clients might withdraw funds in favor of better performing products or fixed income products, such as government debt, which would result in lower investment advisory and other fees; (2) our ability to attract capital from existing and new clients might diminish; and (3) the negative investment performance will directly reduce our managed assets and revenues base, which may have a material adverse effect on our business, financial condition, results of operations and the price of our Class A common shares.

30. The statement in ¶ 29 was materially false and misleading at the time it was made because it omitted that the Company misrepresented profits generated from the sale of predatory investment products as profits gained through proprietary trading.

31. On April 26, 2024, XP filed with the SEC its annual report on Form 20-F for the year ended December 31, 2023 (the “2023 Annual Report”). Attached to the 2023 Annual Report

were certifications pursuant to SOX signed by Defendants Maffra and Constantino attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal control over financial reporting and the disclosure of all fraud.

32. The 2023 Annual Report contained the following statement regarding the Company's internal control over financial reporting:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the International Financial Reporting Standards, or "IFRS" issued by the International Accounting Standards Board, or "IASB", currently described as "IFRS Accounting Standards" by the IFRS Foundation.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. Using the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or "COSO."

Based on this assessment and those criteria, our management has concluded that our internal controls over financial reporting was effective as of December 31, 2023.

Additionally, the effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by PwC - PricewaterhouseCoopers Auditores Independentes Ltda., an independent registered public accounting firm, as stated in its report.

33. The statement in ¶ 32 was materially false and misleading at the time it was made because the Company materially overstated its business prospects and results generated from two of its investment funds, calling into question the effectiveness of its internal controls and leading to accusations of financial misconduct.

34. The 2023 Annual Report contained the following risk disclosure:

Our investment services to our retail clients subject us to additional risks.

We provide investment services to our retail clients, including through IFAs. The risks associated with these investment services include those arising from possible conflicts of interest, unsuitable investment recommendations, inadequate due diligence on the issuer or the provider of the security, inadequate disclosure and fraud and risk associated to investments in general, including those related to the issuer of the securities. Realization of these risks could lead to liabilities for client losses, regulatory fines, civil penalties and harm to our reputation and business. The realization of these risks may be heightened during periods of increased market volatility, which may result in unexpected losses in the products provided to our retail clients.

35. The statement in ¶ 34 was materially false and misleading at the time it was made because it omitted that the Company masked revenues accrued from the sale of predatory investment products to retail investors as proprietary trading profits.

36. The 2023 Annual Report contained the following risk disclosure:

Poor investment performance could lead to a loss of assets under management and a decline in revenues.

Distributing investment fund quotas managed by third parties or by our asset managers represents a relevant part of our business, which income is a percentage of the management and/or performance fee related to such funds. Moreover, a portion of our consolidated income is derived from management and performance fees collected by our three principal asset managers, XP Gestão, XP Advisory and XP Vista. Poor investment performance by the investment funds managed by third parties or by our asset managers for a number of reasons including as a result of overall market declines, could hinder our growth and reduce our revenues because (1) existing clients might withdraw funds in favor of better performing products or fixed income products, such as government debt, which would result in lower investment advisory and other fees; (2) our ability to attract capital from existing and new clients might diminish; and (3) the negative investment performance will directly reduce our managed assets and revenues base, which may have a material adverse effect on our business, financial condition, results of operations and the price of our Class A common shares.

37. The statement in ¶ 36 materially false and misleading at the time it was made because it omitted that the Company misrepresented profits generated from the sale of predatory investment products as profits gained through proprietary trading.

38. The statements contained in ¶¶ 18, 20, 22, 25, 27, 29, 32, 34, and 36 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations, and prospects, which were known to

Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) XP materially overstated the business results and prospects of two of its funds, leading to accusations of financial impropriety; (2) XP had inadequate internal controls over financial reporting due to the misstatements of business results and prospects by certain of its funds; and (3) as a result, Defendants' statements about its business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all times.

THE TRUTH BEGINS TO EMERGE

39. On January 21, 2025, during market hours, Investing.com published an article entitled "XP shares tumble on rumored Hindenburg short report." The article stated the following:

[XP shares fell] 5% amidst rumors that Hindenburg Research, a notable short-selling firm, might publish a negative report on the company. The speculation began after traders noticed images of documents from an unpublished report on Hindenburg's website, sparking discussions of a potential "short grand finale" by the firm.

Last week, Hindenburg's Nate Anderson indicated their intention to wind down operations after completing their current pipeline of ideas. The development has been followed closely by the trading community, with short seller Unemon hinting at a major forthcoming report. *Unemon's tweets suggested that XP could be a viable short target, citing Brazilian documents that allegedly request exemption from daily reporting for products named GLADIUS and COLISEU. These products, according to the tweets, represent a significant portion of XP's revenue and income.*

Further concerns were raised by the mention of increasing lawsuits in Brazil related to XP's business practices, with the entity Gladius being implicated as a key contributor to the company's financial performance.

The market's response to these rumors reflects heightened investor caution, as the potential implications of such a report could have serious consequences for XP's stock value. It is important to note that these are currently unconfirmed rumors and the actual content of any report by Hindenburg has yet to be published.

Investors are advised to monitor the situation closely as more information becomes available, especially considering Hindenburg's track record of impactful short reports. XP Inc. has not issued any statements in response to the rumors at this time.

40. On this news, the price of XP stock fell \$0.58 per share, or 4.8%, to close at \$11.41 on January 21, 2025.

41. On March 12, 2025, *Grizzly Research* (“Grizzly”) published a report entitled “XP’s (Nasdaq: XP) Entire Profits Are Dependent on What Insiders Call a ‘Madoff-Like Ponzi Scheme.’” (the “Report”).

42. The Report said that Grizzly’s “research uncovers that the company is running a *massive Ponzi scheme facilitated through certain derivatives sales to retail clients, which are funneled through special funds and misrepresented as proprietary trading profits.*”

43. The Report further stated that “[a]t the center of the scheme is a XP fund called GLADIUS FIM CP IE (“Gladius”) that returned over 2,419% over the last five years with unbelievably low volatility.” It further stated that the “returns from Gladius and its affiliated fund COLISEU FIM CP IE (‘Coliseu’) are higher than XP’s earnings. *Without Gladius and Coliseu, XP would be unprofitable.*”

44. The Report noted that Gladius had suspiciously high returns. It stated the following:

Since 2019, Gladius returned 93.3% on average per year. The *most long-term successful hedge fund of all time*, the quantitatively managed Renaissance Technologies *only returned 39.1% on average per year.*

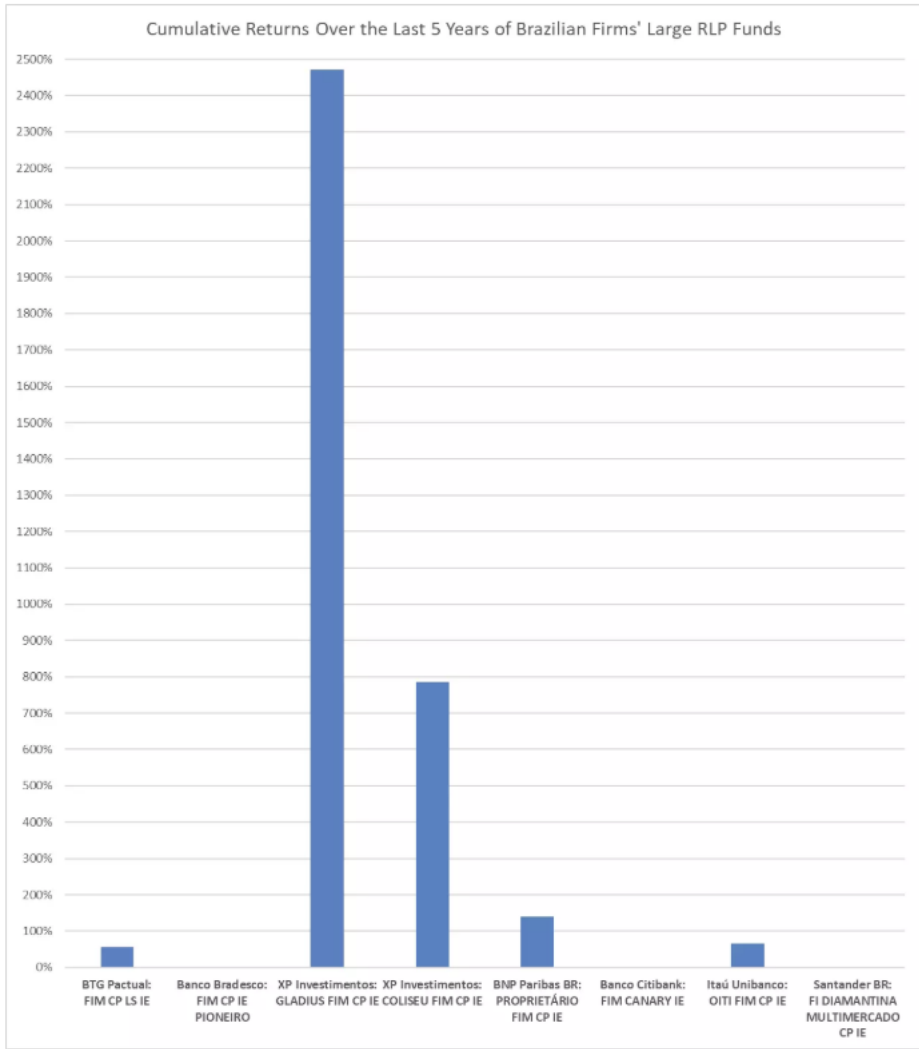
Given the notorious struggle of funds to provide alpha without added risk, we can safely assume that Gladius’ returns have another source than genius prop trading alone.

45. The Report stated the following regarding cited explanations for Gladius’ purported returns:

Most cited explanations for these high returns and low risk focus on Gladius’ role for XP as a vehicle to account for operational gains from market-making activities and liquidity management. Such Retail Liquidity Provision (“RLP”) funds that are tax-beneficial for the banks and brokers are common practice in Brazil. However, none of XP’s competitors’ RLP return even nearly as much as Gladius.

The following chart shows a comparison of XP’s RLP funds with competitor funds that we identified as their largest RLP Funds.

46. The Report then included the following chart:



47. The Report stated that the “secret to Gladius’ profitability is a product called COE which stands for *Certificado de Operações Estruturadas*. COEs are predatory investment products that XP pushes aggressively on its Brazilian retail clients.” (Italicization in original).

48. Grizzly stated that it had “consulted with XP formers and people from Brazil who have knowledge of Gladius’ inner workings. *They confirmed to us that Gladius is unduly paying out new premiums it receives from the sale of COE products to XP as profits.*”

49. Grizzly further stated the following:

We consulted with Brazilian experts, XP formers, and other people close to the matter. *We were told that the secret to Gladius returns is in fact a Ponzi scheme based on a product called COE (Certificado de Operações Estruturadas).* COEs are hybrid securities for private investors combining fixed and variable income assets in structured contracts, pioneered by XP and regulated since 2013. They often times promise a client guaranteed principal and some potential upside over a 3-to-5-year horizon. *Initiated to service high net worth clients, COEs are now aggressively marketed to small-ticket retail clients in the post-COVID era with 1.25 million more Brazilian clients from June 2021 to June 2022.*

50. The Report stated preliminarily that “COEs are predatory to retail clients because their complexity is used to overprice them in hidden ways. *But more importantly for XP and their Ponzi scheme, COEs bind the clients’ liquidity to XP for several years.*”

51. The Report stated that according to a former XP insider, XP “funnels the majority of its cash flows associated with COES through Gladius and COLLISEU. Insiders described to us how XP is effectively using the cash flows from COE products to run an extremely risky Ponzi scheme.”

52. The Report further stated that “[a]ccording to XP’s former employees, the scheme only continues to work as long as XP is able to sell more COEs.” This is because “[a]s soon as the inflows stop growing the system falls apart and XP could be liable for enormous obligations it cannot meet. *Insiders outright called Gladius a ‘Madoff-like Ponzi scheme’.*”

53. Grizzly quoted an “expert with intimate knowledge of Gladius’ strategy and with deep understanding of XP’s leadership dealings” as saying the following regarding how the Company preys on retail investors to sell COEs:

Product recycling is king! So, XP might push financial advisors to aggressively sell COEs as a safe and profitable investment and this leads to advisors earning commissions while clients roll over one COE into another often without ever seeing the promised returns. A constant flow of money without actual value creation similar to the way a Pyramid scheme operates.— There is always an optimistic narrative; the next one will be the winner and investors never sees the results.”

(Emphasis in original).

54. In response to the above quote, the Report said that this “means the massive outflows from Gladius and Coliseu to XP are effectively sourced from investment inputs by clients and not from operative profits or trading gains.”

55. Grizzly stated that its “suspicion that Gladius is employing nefarious means to produce its fantastic returns is strengthened when looking at other Brazilian funds in the same field. Other comparable funds from XP competitors only produce mediocre returns that are in no way comparable to Gladius’.”

56. Similarly, the Report noted that “[t]he validity of Gladius’ profits is further undermined by the fact that if such profit opportunities were to exist in the Brazilian market, then other leading global liquidity providers (e.g., Citadel) would also be active players in the space. Their absences speak volumes.”

57. The Report stated that “Gladius is hiding behind a highly complex structure and uses a wide variety of asset classes. [. . .] Only a few insiders are aware of the true nature of Gladius and the underlying scheme.”

58. The Report stated the following on “[why Gladius and Coliseu matter]”:

XP operates six funds with net asset values of over R\$ 1 billion (US\$ 173 million). Only Gladius provides widely unrealistically inflated returns, and Coliseu, the next best fund, provides alpha while participating in Gladius. Only these two funds pay net nominal out to XP, their only shareholder, while XP net contributes to the realistically performing funds, as detailed in the table below.

59. The Report then showed the following table:

XP Fund	Net Asset Value	Return Over Last 5 Years	Cumulative Outflow to XP	Share in Gladius (latest audit report available)
NIMROD FIM CP IE	R\$ 12.29B	49%	R\$ -10.49B	0% (31-Mar-2023)
COLISEU FIM CP IE	R\$ 7.43B	774%	R\$ 11.35B	66.45% (30-Jun-2021)
GLADIUS FIM CP IE	R\$ 5.15B	2.386%	R\$ 10.89B	100%
FALX FIM CP IE	R\$ 3.94B	61%	R\$ -2,83B	0% (31-Dec-2023)
SCORPIO FIM CP IE	R\$ 2.96B	219%	R\$ -0.58B	0% (31-Dec-2023)
MACADÂMIA FIM CP	R\$ 2.06B	115%	R\$ -1.52B	0% (31-Dec-2023)

Source: maisretorno.com, audit files via sistemas.cvm.gov.br. Retrieved on March 6, 2025.

60. The Report stated that “XP seems on closer inspection highly reliant on the cash flows from Gladius and Coliseu, which exceed XP’s net income in every year since 2021. The Report then displayed the following graph to illustrate the point:

Business Year	Gladius and Coliseu Outflow to XP	XP Net Revenue	XP Net Income
2019	R\$ -2,351M	R\$ 5,128M	R\$ 1,089M
2020	R\$ -3,947M	R\$ 8,152M	R\$ 2,081M
2021	R\$ 3,150M	R\$ 12,077M	R\$ 3,592M
2022	R\$ 4,980M	R\$ 13,347M	R\$ 3,580M
2023	R\$ 5,910M	R\$ 14,860M	R\$ 3,899M
TTM	R\$ 11,160M	R\$ 16,637M	R\$ 4,375M

Source: SEC filings, CVM filings

61. The Report further stated:

XP took value amounting to R\$ 27.66 billion (US\$ 4.80 billion) out of Gladius from 2020 to 2024 and Coliseu from 2021 to 2024. During this period, XP’s corporate net income was only R\$ 17.52 billion (US\$ 3.03 billion). ***Without receiving cash from these two funds, XP would have a negative cumulative net income over the last years.***

The net asset value (“NAV”) of the funds peaked in 2022. From this we can infer that—whatever XP does to gain these high profits—does not scale up with NAV.

62. On this news, the price of XP common stock fell \$0.82 per share, or 5.48%, to close at \$14.14 on March 12, 2025. The next day, the price of XP stock fell a further \$0.25 per share, or 1.75%, to close at \$13.89 on March 13, 2025.

63. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's common shares, Plaintiff and the other Class members have suffered significant losses and damages.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

64. 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 persons other than defendants who acquired XP securities publicly traded on the NASDAQ during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

65. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

66. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

67. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

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

- whether the Exchange Act was violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

70. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- the Company's securities met the requirements for listing, and were listed and actively traded on the NASDAQ, an efficient market;
- as a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

71. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

72. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

COUNT I
For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder
Against All Defendants

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

74. This Count asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

75. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

76. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

77. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or

dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

78. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Company's personnel to members of the investing public, including Plaintiff and the Class.

79. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

80. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

81. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

82. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

COUNT II
Violations of Section 20(a) of the Exchange Act
Against the Individual Defendants

83. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

84. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information regarding the Company's business practices.

85. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

86. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to

engage in the wrongful acts complained of herein. The Individual Defendants therefore, were “controlling persons” of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Company securities.

87. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

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

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated:

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