

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon.
 :
 : Criminal Number: 22-
 v. :
 : 15 U.S.C. §§ 78j(b) & 78ff
LAUREN S. WOOD : 17 C.F.R. §§ 240.10b-5 & 240.10b5-2
 : 18 U.S.C. § 2

INFORMATION

The Defendant having waived in open court prosecution by indictment the United States Attorney for the District of New Jersey charges:

(Securities Fraud)

Introduction

1. Defendant Lauren S. Wood (“Wood”) obtained material nonpublic information from the then-Chief Financial Officer (“CFO”) of a biopharmaceutical company (“Company-1”) and immediately executed a trade to purchase approximately 7,000 shares, ultimately realizing gross profits of approximately \$213,618.

Individuals and Entities

2. At all times relevant to this Information:
a. Company-1 was a publicly traded company listed on the NASDAQ Stock Exchange, with headquarters in Morris Plains, New Jersey. It developed, manufactured, and sold biotechnology products that were used, among other things, to

detect and treat cancer. In or about October 2020, another biopharmaceutical company (“Company-2”) acquired Company-1 for approximately \$21 billion.

b. The CFO served at Company-1 from in or about 2018 to in or about October 2020. The CFO had a duty not to disclose confidential information and material, nonpublic information that he learned through his employment at Company-1, or to use such information for his benefit or the benefit of others.

c. From in or about 2018 to in or about December 2019, Wood was the Head of Corporate Communications of Company-1 and reported to the CFO. During the insider trading scheme discussed below, Wood and the CFO were in a romantic relationship and lived together at a residence in Washington, D.C.

d. The NASDAQ Stock Exchange is a United States stock exchange with servers located in New Jersey.

The Insider Trading Scheme

3. From on or about April 2, 2020 through at least in or around August 2020, in the District of New Jersey, and elsewhere, defendant

LAUREN S. WOOD

did unlawfully, willfully, and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and of the mails, and of the facilities of national securities exchanges, use and employ, in connection with the purchase and sale

of securities registered on a national securities exchange, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons—that is, by executing and causing others to execute securities transactions in the securities of Company-1 on the basis of material, nonpublic information concerning Company-1 in breach of a duty of trust and confidence that was owed directly, indirectly, and derivatively to the issuer of those securities, the shareholders of the issuers, and to other persons who were the source of the material non-public information.

Goal of the Insider Trading Scheme

4. The goal of the scheme was for Wood to profit by purchasing and selling Company-1 securities based on material, non-public information.

Manner and Means of the Insider Trading Scheme

5. It was part of the scheme to defraud that:

a. On April 2, 2020, at their shared apartment in Washington, D.C., Wood received from the CFO material, non-public information about a cancer drug

(the “Cancer Drug”) that Company-1 was testing in clinical trials.

b. Specifically, in or about November 2017, Company-1 had begun a clinical trial—a Phase 3 study (the “Study”)—to determine the efficacy and safety of the Cancer Drug, an antibody-based drug designed to treat certain breast cancer patients who, to that point, had very limited treatment options beyond chemotherapy. As part of the Study, an independent Data Safety Monitoring Committee (“DSMC”), composed of outside clinical research experts, had been tasked with monitoring the Study’s progress, which included reviewing safety and efficacy data.

c. On or about March 27, 2020, sooner than initially expected, the DSMC informed Company-1’s Chief Medical Officer (the “CMO”) that because of potential difficulties in obtaining new data during the COVID-19 pandemic, it wanted to seek permission from the FDA to perform its final analysis based on data that it already had accumulated. Soon after, the FDA scheduled a conference call with the CMO and DSMC for on or about Thursday, April 2, 2020, from 4:30-5:00 p.m. (the “Conference Call”).

d. During the Conference Call—which proceeded as planned on or about the afternoon of April 2, 2020—the CMO learned for the first time that: (1) the DSMC was recommending halting the Study based on compelling evidence of efficacy, meaning that the data had shown that the Cancer Drug was safe and effective; and (2)

the FDA did not object to that decision, signaling a far greater likelihood that the FDA would fully approve the Cancer Drug (collectively, the “Non-Public Information”). Following the Conference Call, the CMO informed Company-1’s Chief Executive Officer of the Non-Public Information.

e. Later that evening, the CEO informed the CFO about the Non-Public Information. The CEO and CFO discussed by telephone and text message the plan to announce the Non-Public Information to investors on the morning of Monday, April 6, 2020.

f. On April 2, 2020, after receiving the Non-Public Information from the CFO, Wood traded on it that same day by purchasing approximately \$64,000 in Company-1 stock, ultimately realizing gross profits of over \$213,000.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

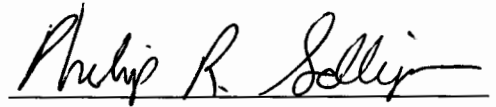
1. As the result of committing the offense constituting specified unlawful activity as defined in 18 U.S.C. § 1956(c)(7), as alleged in this Information, defendant Lauren S. Wood shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the insider trading offense, and all property traceable thereto.

Substitute Assets Provision

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

A handwritten signature in black ink, reading "Philip R. Sellinger". The signature is written in a cursive style with a horizontal line underneath it.

PHILIP R. SELLINGER
United States Attorney

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