

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

THERESA PITMAN, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

IMMUNOVANT, INC. f/k/a HEALTH
SCIENCES ACQUISITIONS
CORPORATION, PETER SALZMANN,
PAMELA YANCHIK CONNEALY, and
RODERICK WONG,

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Theresa Pitman (“Plaintiff”), individually and on behalf of all others similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, 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, *inter alia*, the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Immunovant, Inc. f/k/a Health Sciences Acquisitions Corporation (“HSAC”, “Immunovant”, or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Immunovant securities between October 2, 2019 and February 1, 2021, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Immunovant is a clinical-stage biopharmaceutical company that develops monoclonal antibodies for the treatment of autoimmune diseases. The Company is developing IMVT-1401, a novel fully human monoclonal antibody, which is in Phase IIa clinical trials for the treatment of myasthenia gravis (“MG”) and thyroid eye disease (“TED”), also known as Graves’ ophthalmopathy. The Company has also completed initiation of Phase II clinical trials of IMVT-1401 for the treatment of warm autoimmune hemolytic anemia (“WAIHA”).

3. On September 29, 2019, HSAC, then a blank check company,¹ also known as a special purpose acquisition company (“SPAC”), entered into an agreement with Immunovant Sciences Ltd. (“Legacy Immunovant”), a private biopharmaceutical company, and shareholders of Legacy Immunovant, to effect a merger between the two entities (the “Merger”). As a result of the Merger, HSAC acquired all of the issued and outstanding shares of Legacy Immunovant, and Legacy Immunovant became a wholly owned subsidiary of HSAC. Upon the closing of the Merger, HSAC changed its name to “Immunovant, Inc.”

¹ A blank check company is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person.

4. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) HSAC had performed inadequate due diligence into Legacy Immunovant prior to the Merger, and/or ignored or failed to disclose safety issues associated with IMVT-1401; (ii) IMVT-1401 was less safe than the Company had led investors to believe, particularly with respect to treating TED and WAIHA; (iii) the foregoing foreseeably diminished IMVT-1401's prospects for regulatory approval, commercial viability, and profitability; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

5. On February 2, 2021, Immunovant issued a press release "announc[ing] a voluntary pause of dosing in its ongoing clinical trials for IMVT-1401." Immunovant disclosed that it "has become aware of a physiological signal consisting of elevated total cholesterol and LDL [low-density lipoproteins] levels in IMVT-1401-treated patients" and "[o]ut of an abundance of caution, the Company has decided to voluntarily pause dosing in ongoing clinical studies in both TED and in [WAIHA], in order to inform patients, investigators, and regulators as well as to modify the monitoring program."

6. On this news, Immunovant's stock price fell \$18.22 per share, or 42.08%, to close at \$25.08 per share on February 2, 2021.

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

JURISDICTION AND VENUE

8. 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).

9. 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.

10. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b), as the alleged misstatements entered and the subsequent damages took place in this Judicial District. Pursuant to Immunovant's most recent annual report on Form 10-K, as of June 29, 2020, there were 81,811,727 shares of the Company's common stock outstanding. Immunovant's common stock trades on the Nasdaq Stock Market ("NASDAQ"). Accordingly, there are presumably hundreds, if not thousands, of investors in Immunovant's common stock located within the U.S., some of whom undoubtedly reside in this Judicial District.

11. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

12. Plaintiff, as set forth in the attached Certification, acquired Immunovant securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures.

13. Defendant Immunovant is a Delaware corporation with principal executive offices located at 320 West 37th Street, New York, New York 10018. The Company's common stock trades in an efficient market on the NASDAQ under the ticker symbol "IMVT." Prior to the Merger, the Company (*i.e.*, HSAC) was a Delaware corporation with principal executive offices located at 412 West 15th Street, Floor 9, New York, New York 10011, and its securities traded on the NASDAQ under the ticker symbols "HSACU," "HSAC," and "HSACW."

14. Defendant Peter Salzmann, M.D. ("Salzmann") has served as the Company's Chief Executive Officer ("CEO") at all relevant times following the Merger.

15. Defendant Pamela Yanchik Connealy ("Connealy") has served as the Company's Chief Financial Officer at all relevant times following the Merger.

16. Defendant Roderick Wong, M.D. ("Wong") served as the Company's President and CEO at all relevant times prior to the Merger.

17. Defendants Salzmann, Connealy, and Wong are sometimes referred to herein as the "Individual Defendants."

18. The Individual Defendants possessed the power and authority to control the contents of Immunovant's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Immunovant's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Immunovant, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were

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