

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NANCY MILLER-RICH,

Plaintiff,

- against -

ALTUM PHARMACEUTICALS INC.,
BETTERLIFE PHARMA INC.,
AHMAD DOROUDIAN,
STEPHEN DATTELS,
JOHN AND JANE DOES 1-50 and
ABC CORPORATIONS 1-20,

Defendants.

COMPLAINT

**PLAINTIFF DEMANDS
TRIAL BY JURY.**

Plaintiff Nancy Miller-Rich by her undersigned counsel, McCarney Law P.C., for her complaint alleges:

1. Plaintiff brings this action for damages arising from defendants' violations of the antifraud provisions of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10.b-5, aiding and abetting deceptive acts and false statements pursuant to Section 20(e) of the Exchange Act, 15 U.S.C. § 78t(e), common law fraud and breaches of contract. Plaintiff seeks \$2 million in compensatory and \$10 million in punitive damages.

PARTIES

2. Plaintiff Nancy Miller-Rich resides at 565 Broome Street, Apt. 22A, New York, NY 10013.

3. Upon information and belief, defendant Altum Pharmaceuticals Inc. (“Altum”) is a corporation formed under the laws of Canada with an office at 1275 West 6th Avenue, Suite 300, Vancouver, BC V6H 1A6, Canada.

4. Upon information and belief, defendant BetterLife Pharma Inc. (“BetterLife”) is a corporation formed under the laws of Canada with an office at 1275 West 6th Avenue, Suite 300, Vancouver, BC V6H 1A6, Canada.

5. Upon information and belief, defendant Ahmad Doroudian is an individual with an address at 4172 Doncaster Way, Vancouver, BC V6S 1V9, Canada.

6. Upon information and belief, defendant Stephen Dattels is an individual with an address at Lot 5, Lagomar Road, Palm Beach, FL 33480.

7. Upon information and belief, defendants John and Jane Does 1 through 50 are individuals, the present identities of whom are unknown to plaintiff, who are party to defendants’ fraudulent conspiracy as alleged below.

8. Upon information and belief, defendants ABC Corporations 1 through 20 are corporations, the present identities of which are unknown to plaintiff, which are party to defendants’ fraudulent conspiracy as alleged below.

JURISDICTION AND VENUE

9. This Court has federal question subject matter jurisdiction under 28 U.S.C. § 1331 and Section 27 of the Exchange Act, 15 U.S.C. § 78jaa, over the claims arising under the antifraud provisions of Sections 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), Rule 10b-5 thereunder, 17 C.F.R. § 240.10.b-5, and Section 20(e) of the Exchange Act, 15 U.S.C. § 78t(e), and pendent jurisdiction over the common law fraud and breach of contract claims.

10. This Court has diversity jurisdiction under 28 U.S.C. § 1331 over the claims asserted in this action because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and plaintiff is a citizen of New Jersey and defendants are citizens of either Canada or Florida.

11. Venue lies in respect of the federal securities law claims under Section 27 of the Exchange Act, 15 U.S.C. § 78jaa, because an act or transaction constituting the violation occurred in this District and defendants may be found or transact business here.

12. Venue lies under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the state law claims occurred in this District.

13. This Court has *in personam* jurisdiction over defendants pursuant to Fed. R. Civ. P. 4(k)(1)(A) because they would be subject to the jurisdiction of the courts of general jurisdiction of New York State where this Court is located. Such jurisdiction lies under the long-arm provisions of CPLR § 302(a)(1)-(3). Section (a)(1) jurisdiction obtains because plaintiff's claims arise from the defendants, either directly or through their co-conspirator defendants, having transacted business within the State of New York, contracted to supply

goods and services here in the form of financing, securities and pharmaceuticals, and entered into the Employment Agreement described below to be performed in New York, all as set forth below. Section (a)(2) jurisdiction lies because defendants, either directly or through their co-conspirators, committed tortious acts within this State from which plaintiff's claims arise, including without limitation their fraudulent misrepresentations concerning Altum's stock price and proposed amalgamation, fraudulent diversion of the Covid-19 Opportunity, and fraudulent concealment of their scheme in this State, all as alleged herein. Section (a)(3) jurisdiction exists because defendants, either directly or through their co-conspirator defendants (1) have committed tortious acts without the State as alleged below causing injury to plaintiff within the State, and (2)(i) regularly do or solicit business, or engage in a persistent course of conduct or derive substantial revenue from goods used or consumed or services rendered, in the State of New York, or (ii) expect or reasonably should expect their fraudulent acts to have consequences within New York State and derive substantial revenue from interstate or international commerce.

14. Defendants, each of them, individually, or through the acts of their co-conspirator defendants described below, have committed overt acts in further of their fraudulent scheme within the State of New York, and are otherwise subject to jurisdiction in this Court based upon the acts and omissions of their co-conspirators.

15. In the event any defendant were not subject to *in personam* jurisdiction in the courts of general jurisdiction of New York State in respect of any federal claim, then exercising such jurisdiction would be proper under Fed. R. Civ. P. 4(k)(2) consistent with the United States Constitution and laws.

FACTS

16. Prior to the events at issue, plaintiff Nancy Miller-Rich held upper-level management positions for thirty-five years in the pharmaceutical, biotech, and healthcare industries. She held senior management positions at Sandoz (now Novartis), Schering-Plough and Merck where she was a member of the Operating Committee responsible for launching several innovative products worldwide, including the breakthrough Gardasil vaccine for human papillomavirus (“HPV”) and Keytruda immunotherapy for cancer. These medications reached millions of patients across the globe and created billions in shareholder value, with Keytruda alone generating some \$18 billion annually. Ms. Miller-Rich received numerous corporate awards and accolades for her achievements industry wide and presently serves on Boards of Directors of four publicly traded pharmaceutical companies and two private biotech companies.

17. Defendant Ahmad Doroudian had likewise been active in the pharmaceutical industry prior to meeting Ms. Miller-Rich having held senior positions at nearly a dozen firms during his career, mostly short-term stints at start-up concerns. He left one of these positions, CEO of pharmaceutical manufacturer Pangeo (USA) Corp. (“Pangeo”), after his auditors resigned during a joint investigation by the Royal Canadian Mounted Police and US Drug Enforcement Administration into unlawful distribution of Pangeo’s 60mg pseudoephedrine tablets used in illegal methamphetamine labs. Doroudian is a citizen of both Canada and Iran and is active in the Ismaili community near his home in Vancouver, Canada which serves as a source for investors, including investors in defendant BetterLife.

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