

RYAN O'DELL,

Plaintiff,

v.

SIERRA ONCOLOGY, INC., ROBERT
PELZER, GAURAV AGGARWAL, M.D.,
ANDREW ALLEN, M.D., PH.D., MONA
ASHIYA, PH.D., CRAIG COLLARD,
JEFFREY H. COOPER, MBA, STEPHEN G.
DILLY, MBBS, PH.D., GEORGIA ERBEZ,
CHRISTY OLIGER, and ANDREW
SINCLAIR, PH.D.,

Defendants.

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: Civil Action No. 22-cv-3647

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: **COMPLAINT FOR VIOLATIONS OF**

: **SECTIONS 14(a) AND 20(a) OF THE**

: **SECURITIES EXCHANGE ACT OF**

: **1934**

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: **JURY TRIAL DEMANDED**

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1. This is an action brought by Plaintiff against Sierra Oncology, Inc. (“Sierra Oncology or the “Company”) and the members Sierra Oncology’s board of directors (the “Board” or the “Individual Defendants” and collectively with the Company, the “Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17 C.F.R. 240.14a-9 and 17 C.F.R. § 244.100, in connection with the proposed acquisition of Sierra Oncology by affiliates of GlaxoSmithKline plc (“GSK”).

2. Defendants have violated the above-referenced sections of the Exchange Act by causing a materially incomplete and misleading Preliminary Proxy Statement on Schedule 14A (the “Proxy Statement”) to be filed on May 2, 2022 with the United States Securities and Exchange Commission (“SEC”) and disseminated to Company stockholders. The Proxy Statement recommends that Company stockholders vote in favor of a proposed transaction whereby the Orikum Acquisition Inc. (“Merger Sub”), a wholly-owned subsidiary of GSK, will merge with and into Sierra Oncology with Sierra Oncology surviving as a wholly-owned subsidiary of GSK (the “Proposed Transaction”). Pursuant to the terms of the definitive agreement and plan of merger the companies entered into on April 12, 2022 (the “Merger Agreement”), each Sierra Oncology stockholder will receive \$55.00 in cash (the “Merger Consideration”) for each Sierra Oncology share owned.

1. As discussed below, Defendants have asked Sierra Oncology’s stockholders to support the Proposed Transaction based upon the materially incomplete and misleading representations and information contained in the Proxy Statement, in violation of Sections 14(a) and 20(a) of the Exchange Act. Specifically, the Proxy Statement contains materially incomplete and misleading information concerning the analyses performed by the Company’s financial advisor, Lazard Frères & Co. LLC (“Lazard”) in support of its fairness opinion.

2. It is imperative that the material information that has been omitted from the Proxy Statement is disclosed to the Company’s stockholders prior to the forthcoming stockholder vote so that they can properly exercise their corporate suffrage rights.

3. For these reasons and as set forth in detail herein, Plaintiff seeks to enjoin Defendants from taking any steps to consummate the Proposed Transaction unless and until the material information discussed below is disclosed to Sierra Oncology’s stockholders or, in the

event the Proposed Transaction is consummated, to recover damages resulting from the Defendants' violations of the Exchange Act.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question jurisdiction) as Plaintiff alleges violations of Sections 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9.

5. Personal jurisdiction exists over each Defendant either because the Defendant conducts business in or maintains operations in this District, or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction over Defendant by this Court permissible under traditional notions of fair play and substantial justice.

6. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. § 78aa, as well as under 28 U.S.C. § 1391, because Plaintiff resides in this District.

PARTIES

7. Plaintiff is, and has been at all relevant times, the owner of Sierra Oncology stocks and has held such stocks since prior to the wrongs complained of herein.

8. Individual Defendant Robert Pelzer has served as a member of the Board since May 2015.

9. Individual Defendant Gaurav Aggarwal, M.D. has served as a member of the Board since November 2019.

10. Individual Defendant Andrew Allen, M.D., Ph.D. has served as a member of the Board since October 2017.

11. Individual Defendant Mona Ashiya, Ph.D. has served as a member of the Board since November 2019.

12. Individual Defendant Craig Collard has served as a member of the Board since May 2020.

13. Individual Defendant Jeffrey H. Cooper, MBA has served as a member of the Board since March 2016.

14. Individual Defendant Stephen G. Dilly, MBBS, Ph.D. has served as a member of the Board since June 2020 and is the Company's President and Chief Executive Officer of the Company.

15. Individual Defendant Georgia Erbez has served as a member of the Board since June 2021.

16. Individual Defendant Christy Olier has served as a member of the Board since June 2021.

17. Individual Defendant Andrew Sinclair, Ph.D. has served as a member of the Board since November 2019.

18. Defendant Sierra Oncology is a Delaware corporation and maintains its principal offices at 1820 Gateway Drive, Suite 110, San Mateo, California 94404. The Company's stock trades on the NASDAQ Global Market under the symbol "SRRA."

19. The defendants identified in paragraphs 10-17 are collectively referred to as the "Individual Defendants" or the "Board."

20. The defendants identified in paragraphs 10-18 are collectively referred to as the "Defendants."

SUBSTANTIVE ALLEGATIONS

A. The Proposed Transaction

21. Sierra Oncology, a late-stage biopharmaceutical company, engages in researching, developing, and commercializing therapies for the treatment of patients with hematology and

oncology needs. Its lead drug candidate, momelotinib, is a selective and orally bioavailable Janus kinase 1 (JAK 1), JAK2, and Activin A receptor type 1 (ACVR1) inhibitor. The Company also develops SRA515, a selective bromodomain-containing protein 4 inhibitor; and SRA737, an orally bioavailable small molecule inhibitor of Checkpoint kinase 1. It has the license agreements with Carna Biosciences, Inc. to develop and commercialize SRA141, a small molecule kinase inhibitor targeting Cdc7; AstraZeneca AB; and CRT Pioneer Fund LP. The Company was formerly known as ProNAi Therapeutics, Inc. and changed its name to Sierra Oncology, Inc. in January 2017. Sierra Oncology was incorporated in 2003 and is headquartered in San Mateo, California.

22. On April 13, 2022, the Company and GSK jointly announced the Proposed Transaction:

LONDON--(BUSINESS WIRE)-- GlaxoSmithKline plc (LSE/NYSE: GSK) and Sierra Oncology, Inc (Nasdaq: SRRB) today announced that the companies have entered into an agreement under which GSK will acquire Sierra Oncology, a California-based, late-stage biopharmaceutical company focused on targeted therapies for the treatment of rare forms of cancer, for \$55 per share of common stock in cash representing an approximate total equity value of \$1.9 billion (£1.5 billion).

Myelofibrosis is a fatal cancer of the bone marrow impacting the normal production of blood cells. Anaemia represents a high unmet medical need in patients with myelofibrosis. At diagnosis, approximately 40% of patients are already anaemic, and it is estimated that nearly all patients will eventually develop anaemia.^{1,2} Patients treated with the most commonly used JAK inhibitor will often require transfusions, and more than 30% will discontinue treatment due to anaemia.³ Anaemia and transfusion dependence are strongly correlated with poor prognosis and decreased overall survival.⁴

Momelotinib has a differentiated mode of action with inhibitory activity along key signalling pathways. This activity may lead to beneficial treatment effects on anaemia and reduce the need for transfusions while also treating symptoms. In January 2022, Sierra Oncology announced positive topline results from the



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