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8 *Counsel for Plaintiff Joseph Zappia*

9 **UNITED STATES DISTRICT COURT**  
10 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN FRANCISCO DIVISION**

12 JOSEPH ZAPPIA, On Behalf Of Himself  
13 And All Others Similarly Situated,

14 Plaintiff,

15 v.

16 MORPHIC HOLDING, INC., GUSTAV  
17 CHRISTENSEN, TIMOTHY SPRINGER,  
18 NORBERT BISCHOFBERGER, MARTIN  
19 EDWARDS, SUSANNAH GRAY, NISHA  
20 NANDA, AMIR NASHAT, JOSEPH P.  
21 SLATTERY, PRAVEEN TIPIRNENI,  
22 RAINIER ACQUISITION CORPORATION,  
23 and ELI LILLY AND COMPANY.

24 Defendants.

Civil Action No. \_\_\_\_\_

**COMPLAINT**

**CLASS ACTION**

**DEMAND FOR JURY TRIAL**

25 Plaintiff Joseph Zappia (“Plaintiff”), by his undersigned attorneys, alleges upon personal  
26 knowledge with respect to himself and his own acts, and upon information and belief as to all other  
27 allegations herein, based upon, *inter alia*, the investigation of his counsel, as follows:

28 **NATURE OF THE ACTION**

1. This action is brought by Plaintiff against Morphic Holding, Inc. (“Morphic” or the  
“Company”) and the members of the Company’s board of directors (“Board”) for (i) violating  
Sections 14(e) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C.  
§ 78n(e) and § 78t(a), and (ii) breaching their fiduciary duties under Delaware law. Plaintiff’s

1 claims arise in connection with the Board’s recommendation that the stockholders of the Company  
2 (“Morphic Stockholders”) tender their shares to Rainier Acquisition Corporation (“Rainier”), an  
3 affiliate of Eli Lilly and Company (“Lilly”), pursuant to Rainier’s tender offer (“Tender Offer”) to  
4 acquire all of the issued and outstanding shares of Morphic for \$57.00 per share in cash.

5 2. On July 8, 2024, Morphic and Lilly announced that they had entered into an  
6 agreement (“Merger Agreement”) providing for Lilly to purchase all of the outstanding shares of  
7 Morphic for \$57.00 per share in cash (“Merger Consideration”) via the Tender Offer.

8 3. On July 19, 2024, Lilly caused Rainier to commence the Tender Offer by filing a  
9 Tender Offer Statement on Schedule TO (“TO Statement”) with the Securities and Exchange  
10 Commission (“SEC”). The TO Statement provides that the Tender Offer expires one minute after  
11 11:59 p.m., Eastern Time, on August 15, 2024 (“Expiration Time”), unless extended or earlier  
12 terminated in accordance with the Merger Agreement. Upon satisfaction of various conditions  
13 described in the TO Statement, the Tender Offer will be consummated with Rainier merging into  
14 and with Morphic, and Morphic surviving as a wholly-owned subsidiary of Lilly pursuant to  
15 Section 251(h) of the General Corporation Law of the State of Delaware (“Merger”).

16 4. On July 19, 2024, Defendants filed a materially false and misleading Schedule 14D-  
17 9 Solicitation/Recommendation Statement (“Recommendation Statement”) with the SEC  
18 recommending that Morphic Stockholders tender their shares pursuant to the Tender Offer. The  
19 material misrepresentations and omissions in the Recommendation Statement specified below  
20 render it false and misleading in violation of the above-referenced Exchange Act provisions and  
21 Delaware law.

22 5. It is imperative that such violations are promptly cured to enable Morphic  
23 Stockholders to make an informed decision concerning whether to tender their shares to Lilly  
24 before the Expiration Time. Therefore, Plaintiff seeks to enjoin expiration of the Tender Offer and  
25 consummation of the Merger until such violations are cured. Alternatively, if the Merger is  
26 consummated, Plaintiff reserves the right to recover damages suffered by himself and similarly-  
27 situated investors as a result of such violations.

1 **JURISDICTION AND VENUE**

2 6. This Court has subject matter jurisdiction over all claims asserted herein pursuant  
3 to Section 27 of the Exchange Act and 28 U.S.C. § 1331 because the claims asserted herein arise  
4 under Sections 14(e) and 20(a) of the Exchange Act. This Court also has supplemental subject  
5 matter jurisdiction over the Delaware state law claims for breaches of fiduciary duty pursuant to  
6 28 U.S.C. § 1367.

7 7. Personal jurisdiction exists over each Defendant because each defendant has  
8 sufficient minimum contacts with the United States so as to make the exercise of jurisdiction by  
9 this Court permissible under traditional notions of fair play and substantial justice. “Where a  
10 federal statute such as Section 27 of the [Exchange] Act confers nationwide service of process, the  
11 question becomes whether the party has sufficient contacts with the United States, not any  
12 particular state.” *Sec. Inv’r Prot. Corp. v. Vigman*, 764 F.2d 1309, 1315 (9th Cir. 1985). “[S]o long  
13 as a defendant has minimum contacts with the United States, Section 27 of the Act confers personal  
14 jurisdiction over the defendant in any federal district court.” *Id.* at 1316.

15 8. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C.  
16 § 78aa(a), which provides that any action to enforce any liability or duty under the Exchange  
17 Act, or to enjoin any violation of the Exchange Act, may be brought in any district “wherein any  
18 act or transaction constituting the violation occurred.” The Recommendation Statement in which  
19 the false and misleading statements and omissions violating federal and state law appear was  
20 drafted by Morphic’s counsel, Fenwick & West LLP (“Fenwick”), out of offices in this district;  
21 indeed, the names of six individual attorneys at Fenwick’s San Francisco office appears on the  
22 cover page of the Recommendation Statement. Further, at least one Defendant, Board member  
23 Norbert Bischofberger, resides and/or works in this district. *See*  
24 <https://www.linkedin.com/in/norbert-bischofberger-06a0a9150/>,  
25 <https://www.kronosbio.com/company/#leadership> and [https://www.kronosbio.com/contact-](https://www.kronosbio.com/contact-page/)  
26 [page/](https://www.kronosbio.com/contact-page/).

**PARTIES**

1  
2 9. Plaintiff is, and has been at all relevant times, a continuous stockholder of Morphic  
3 stock.

4 10. Defendant Morphic is a Delaware corporation with its principal executive offices  
5 located at 35 Gatehouse Drive, A2, Waltham, Massachusetts, 02451.

6 11. Defendant Gustav Christensen (“Christensen”) has served as Chairman of the  
7 Board at all relevant times.

8 12. Defendant Timothy Springer (“Springer”) has served as a member of the Board at  
9 all relevant times. As of April 1, 2024, Springer, and entities and individuals affiliated with  
10 Springer, owned 15.5% of Morphic’s outstanding shares.

11 13. Defendant Norbert Bischofberger has served as a member of the Board at all  
12 relevant times.

13 14. Defendant Martin Edwards has served as a member of the Board at all relevant  
14 times.

15 15. Defendant Susannah Gray has served as a member of the Board at all relevant times.

16 16. Defendant Nisha Nanda (“Nanda”) has served as a member of the Board at all  
17 relevant times. Since January 2019, Nanda has worked as a senior executive at Lilly.

18 17. Defendant Amir Nashat (“Nashat”) has served as a member of the Board at all  
19 relevant times. Nashat is an executive partner at Polaris Partners (“Polaris”), a venture capital firm,  
20 where he has worked since 2002. As of April 1, 2024, Nashat and entities affiliated with Polaris  
21 owned 4.1% of Morphic’s outstanding shares. As detailed further below, since January 28, 2021,  
22 Polaris has invested alongside Lilly in at least four healthcare technology startups.

23 18. Defendant Joseph P. Slattery has served as a member of the Board at all relevant  
24 times.

25 19. Defendant Praveen Tipirneni (“Tipirneni”) has served as Morphic’s CEO and as a  
26 member of the Board at all relevant times. As of April 1, 2024, Tipirneni, and entities affiliated  
27 with Tipirneni, owned 3.3% of Morphic’s outstanding shares.



1 27. *Fourth*, Plaintiff’s claims are typical of the claims of the other members of the Class  
2 and Plaintiff does not have any interests adverse to the Class.

3 28. *Fifth*, the prosecution of separate actions by individual members of the Class would  
4 create a risk of inconsistent or varying adjudications with respect to individual members of the  
5 Class, which would establish incompatible standards of conduct for the party opposing the Class.  
6 Further, Defendants have acted on grounds generally applicable to the Class with respect to the  
7 matters complained of herein, thereby making appropriate the relief sought herein with respect to  
8 the Class as a whole.

9 29. *Sixth*, a class action is superior to other available methods for fairly and efficiently  
10 adjudicating the controversy.

11 **SUBSTANTIVE ALLEGATIONS**

12 **A. Background of the Company**

13 30. Morphic is a biopharmaceutical company that discovers and develops oral small-  
14 molecule therapeutics for the treatment of autoimmune, cardiovascular, and metabolic diseases, as  
15 well as fibrosis and cancer. Its lead product candidate, MORF-057, is in Phase 2 clinical trials for  
16 the treatment of inflammatory bowel disease.

17 **B. Negotiation of the Merger Agreement With Lilly**

18 31. From time to time, in 2023 and early 2024, representatives of Morphic met with  
19 representatives of Lilly, as well as representatives of Company A, Company B and other  
20 pharmaceutical companies, to discuss Morphic’s clinical programs and product candidates and the  
21 possibility of collaboration.

22 32. Additionally, from time to time, the Board discussed Morphic’s strategic  
23 alternatives with financial advisors, including Centerview Partners LLC (“Centerview”) and  
24 Evercore L.L.C (“Evercore”).

25 33. On April 29, 2024, Lilly sent Morphic a written indication of interest proposing to  
26 acquire Morphic for \$46.00 per share in cash (“April 29 Proposal”).

27 34. On April 30, 2024, the Board met to discuss the April 29 Proposal. The  
28 Recommendation Statement states that, due to her employment with Lilly, Defendant Nanda did

1 not participate in this meeting, nor in any subsequent Board meetings or deliberations held in  
2 connection with proposals from Lilly. While the Recommendation Statement reveals the potential  
3 conflict posed by Nanda's employment relationship with Lilly, and the steps taken to address such  
4 potential conflict, it fails to disclose the potential conflict posed by the extensive co-investing  
5 relationship between Lilly and Polaris, the venture capital firm at which Defendant Nashat is an  
6 executive partner.

7 35. On May 1, 2024, at the direction of the Board, Defendant Tipirneni and another  
8 Morphic executive advised Lilly that the price offered in the April 29 Proposal was inadequate,  
9 but invited Lilly to conduct additional limited due diligence to inform its decision as to whether it  
10 would be willing to increase its proposed price.

11 36. On May 3, 2024, as directed by the Board, Centerview contacted representatives of  
12 Company A and Company B and informed each of them that the Company had received an  
13 acquisition proposal and inquired whether Company A and Company B would be interested in  
14 making a proposal to acquire the Company. The Board did not authorize Centerview to contact  
15 any other potential counterparties other than Lilly, Company A and Company B, purportedly based  
16 on the Board's belief that Lilly, Company A and Company B were the only counterparties most  
17 likely to be interested in acquiring the Company that would be able to complete a transaction.

18 37. On May 28, 2024, after additional due diligence, Lilly submitted a proposal to  
19 acquire Morphic for \$50.00 per share in cash.

20 38. On May 29, 2024, at the direction of the Board, Centerview advised Lilly's  
21 financial advisor, Citi, that the Board would be willing to provide certain additional due diligence  
22 information in order to support Lilly increasing its proposal to at least \$60.00 per share in cash.

23 39. On June 3, 2024, Morphic executives met with representatives of Company B and  
24 provided an overview of the Company's business, product candidates, clinical programs and  
25 preclinical pipeline. The Recommendation Statement does not reflect that Morphic executives ever  
26 met with representative of Company A to provide such an overview.

27 40. On June 21, 2024, after additional due diligence, Lilly submitted a proposal to  
28 acquire Morphic for \$53.00 per share in cash.

1 41. On June 23, 2024, Centerview advised Citi that the Board would be willing to  
2 transact at \$60.00 per share in cash.

3 42. On June 24, 2024, a representative of Company A advised Defendant Tipirneni that  
4 Company A would not be interested in discussing an acquisition of Morphic at such time. Also on  
5 June 24, 2024, a representative of Company B advised Centerview that Company B was not  
6 prepared to make an acquisition proposal at such time.

7 43. Also on June 24, 2024, Citi advised Centerview that Lilly would be willing to  
8 transact at \$57.00 per share in cash, and did not have flexibility to go above that price. Later that  
9 day, the Board agreed to transact with Lilly at that price. The Board also agreed to grant exclusivity  
10 to Lilly through July 11, 2024. Thereafter, legal counsel to Morphic and Lilly negotiated the  
11 Merger Agreement.

12 44. The Recommendation Statement further advises that three of Morphic’s principal  
13 shareholders—Defendant Springer and entities affiliated with him, Defendant Tipirneni and  
14 entities affiliated with him, and Defendant Nashat and entities affiliated with Polaris (“Supporting  
15 Stockholders”)—agreed to enter into tender and support agreements with Lilly pursuant to which  
16 they agreed, *inter alia*, to tender their shares to Lilly in the Tender Offer. As of July 3, 2024, the  
17 Supporting Stockholders collectively owned 20.5% of Morphic’s outstanding shares.

18 45. On July 3, 2024, Centerview provided a letter to Morphic disclosing Centerview’s  
19 relationships with Lilly and its affiliates. The Recommendation Statement discloses that in the two  
20 years prior to July 7, 2024, Centerview had not been engaged to provide financial advisory or other  
21 services to Lilly, and Centerview did not receive any compensation from Lilly.

22 46. On July 4, 2024, Morphic entered into separate agreements with Centerview and  
23 Evercore to serve as Morphic’s financial advisors in connection with the Merger with Lilly.

24 47. On July 5, 2024, Evercore provided a letter to Morphic disclosing Evercore’s  
25 relationships with Lilly. The Recommendation Statement, however, fails to disclose whether,  
26 during the two-year period prior to July 7, 2024, Evercore provided any services to Lilly or its  
27 affiliates, or received any compensation from Lilly or its affiliates for any such services.

28 48. On July 7, 2024, Centerview provided the Board with an opinion (“Fairness

1 Opinion”) concluding that the Merger Consideration was fair to Morphic Stockholders. Thereafter,  
2 the Board approved the Merger and resolved to recommend to Morphic Stockholders that they  
3 tender their shares to Lilly in the Tender Offer. Later that day, Morphic and Lilly executed the  
4 Merger Agreement, and the Supporting Stockholders and Lilly executed the tender and support  
5 agreements.

6 49. On July 8, 2024, Morphic and Lilly announced the Merger.

7 50. On July 19, 2024, Morphic filed the false and misleading Recommendation  
8 Statement, and Lilly commenced the Tender Offer.

9 **C. The Recommendation Statement Contains Material Misstatements**  
10 **and Omissions**

11 51. Defendants disseminated a false and misleading Recommendation Statement to  
12 Morphic Stockholders that omits material information that renders statements in the  
13 Recommendation Statement misleading.

14 ***Misleading Material Omissions Concerning Potential Conflict Affecting Defendant Nashat***  
15 ***Arising from Co-Investing Relationships Between Polaris and Lilly***

16 52. Under the heading “Arrangements With Current Executive Officers and Directors  
17 of the Company,” the Recommendation Statement states that the “following is a discussion of all  
18 known material agreements, understandings and *any actual or potential conflicts of interest*  
19 between the Company and its executive officers or directors that relate to the Transactions.”  
20 (Recommendation Statement at 7). In the very next sentence, the Recommendation Statement then  
21 states:

22 at the outset of discussions regarding a transaction between the Company and Lilly,  
23 *the Board was aware of director Dr. Nisha Nanda’s relationship with Lilly and*  
24 *requested that Dr. Nanda recuse herself from Board matters concerning Lilly.*  
25 Dr. Nanda recused herself from all such matters, including from attending all Board  
26 meetings related to the Transactions or strategic alternatives considered by the  
27 Board, and from participating in the deliberations or vote to approve the  
28 Transactions. (*Id.*).

53. Collectively, the two statements above in the Recommendation Statement  
communicate to Morphic Stockholders that the Board was aware of, and adequately addressed and  
disclosed *all* potential conflicts between Morphic directors and Lilly.

1           54. Having traveled down the road of purporting to disclose and address “all actual or  
2 potential conflicts of interest” between Morphic directors and Lilly, including the potential conflict  
3 arising from the employment relationship between Lilly and Defendant Nanda, Defendants were  
4 obligated to be accurate and complete on the subject of potential conflicts. But they were not—  
5 Defendants failed to disclose that Defendant Nashat’s venture capital firm, Polaris, has co-invested  
6 alongside Lilly in at least four healthcare startups since January 2021. Unlike Defendant Nanda,  
7 Nashat did not recuse himself from Board meetings concerning the proposed transaction with  
8 Lilly, which makes disclosure of the extensive co-investing relationship between Polaris and Lilly  
9 to Morphic Stockholders particularly critical given that such relationship would have compromised  
10 Nashat’s ability to evaluate a proposed transaction with Lilly objectively.

11           55. *First*, on January 5, 2024, UpDoc, the developer of a conversational AI platform  
12 that manages medication prescriptions, announced a strategic funding round lead by Polaris with  
13 participation from Lilly and two other investors.

14           56. *Second*, on July 11, 2023, Crossbow Therapeutics (“Crossbow”), a biotechnology  
15 company developing a novel class of antibody therapies to treat a broad range of cancers,  
16 announced the completion of an \$80 million Series A financing round in which Polaris and Lilly  
17 participated. Alexandra Cantley of Polaris presently serves on the Crossbow board, and  
18 Crossbow’s website continues to identify Lilly as an investor. See <https://www.crossbowtx.com/>

19           57. *Third*, on March 7, 2023, Volastra Therapeutics (“Volastra”), a clinical stage cancer  
20 biotechnology company, announced the completion of a \$60 million Series A financing round “*led*  
21 by founding investors *Polaris Partners* and ARCH Venture Partners *alongside Eli Lilly and*  
22 *Company*.” Ellie McGuire of Polaris and Dr. Arjun Balar of Lilly presently serve together on the  
23 Volastra Board. See <https://www.volastratx.com/our-team/>.

24           58. *Fourth*, on January 27, 2021, Auron Therapeutics (“Auron”), a biopharmaceutical  
25 company, announced the completion of its \$12.75 million seed financing round led by Polaris and  
26 two other venture capital funds with additional support from Lilly and other investors. Dr. Isaac  
27 Ciechanover, a Polaris executive, joined Auron’s board, and Brad Robling of Lilly joined as a  
28 board observer. Thereafter, on July 20, 2022, Auron announced the completion of its \$48 million

1 Series A financing round. Polaris, Lilly and other investors participated. Alexandra Cantley of  
2 Polaris presently serves on the Auron board, and Auron’s website continues to identify Lilly as an  
3 investor. See <https://www.aurontx.com/about>.

4 59. The above co-investing relationships between Lilly and Nashat’s firm, Polaris,  
5 represent a potential director conflict about which reasonable Morphic Stockholders would want  
6 to know since Nashat did not recuse himself from Board meetings concerning the Merger, and the  
7 above co-investing relationships would have compromised Defendant Nashat’s ability to evaluate  
8 a proposed transaction with Lilly objectively.

9 60. The Recommendation Statement purports to disclose all potential director conflicts,  
10 and cites the potential conflict affecting Defendant Nanda, but those statements are rendered  
11 misleading by omission since the Recommendation Statement fails to disclose the extensive co-  
12 investing relationship between Lilly and Polaris that would have compromised Nashat’s ability to  
13 evaluate a proposed transaction with Lilly objectively. As such, to ensure full and fair disclosure  
14 of all potential director conflicts—as the Recommendation Statement concedes is required—  
15 Defendants must file a supplemental disclosure with the SEC disclosing the co-investing  
16 relationships between Polaris and Lilly.

17 **Material Omissions Concerning Potential Conflicts of Evercore**

18 61. Proxies seeking shareholder action must fully disclose financial advisor  
19 compensation and potential conflicts. Such disclosure is required even when the financial advisor  
20 does not provide a fairness opinion so long as the advisor participated in the evaluation of the  
21 proposed transaction.

22 62. The Recommendation Statement discloses Morphic’s agreements with both  
23 Centerview and Evercore to serve as financial advisors. In doing so, the Recommendation  
24 Statement discloses that Morphic agreed to pay \$2 million to Evercore, which evidences that  
25 Evercore played a material role in connection with the evaluation of the Merger.

26 63. The Recommendation Statement also states that both Centerview and Evercore  
27 provided letters to Morphic disclosing their relationships with Lilly and its affiliates. Yet, while  
28 the Recommendation Statement discloses that in the two years prior to July 7, 2024, Centerview

1 had not been engaged to provide financial advisory or other services to Lilly, and did not receive  
2 any compensation from Lilly, the Recommendation Statement fails to provide any disclosure  
3 concerning compensation paid to Evercore for any services provided to Lilly during that two year  
4 period.

5 64. Having traveled down the road of (i) disclosing that both Centerview and Evercore  
6 provided relationship disclosures to Morphic, (ii) disclosing information concerning both  
7 Centerview's and Evercore's advisory agreements with Morphic, and (iii) confirming that  
8 Centerview did not receive an compensation from or provide any services to Lilly during the two  
9 years prior to July 7, 2024, Defendants are obligated to be accurate and complete on the subject of  
10 any potential conflicts affecting their financial advisors by disclosing to Morphic Stockholders any  
11 services provided by Evercore to Lilly and its affiliates during the two year period ended July 7,  
12 2024, and any compensation paid for such services.

13 **COUNT I**

14 **Claims Against All Defendants for Violations of Section 14(e) of the Exchange Act**

15 65. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

16 66. Defendants caused the Recommendation Statement to be issued with the intention  
17 of soliciting Morphic Stockholders to tender their Morphic shares in the Tender Offer.

18 67. Section 14(e) of the Exchange Act provides that it is unlawful "for any person to  
19 make any untrue statement of a material fact or omit to state any material fact necessary in order  
20 to make the statements made, in the light of the circumstances under which they are made, not  
21 misleading . . . in connection with any tender offer or request or invitation for tenders, or any  
22 solicitation of security holders in opposition to or in favor of any such offer, request, or invitation."  
23 15 U.S.C. § 78n(e).

24 68. Defendants violated Section 14(e) because they caused or allowed the  
25 Recommendation Statement to be disseminated to Morphic shareholders in order to solicit them  
26 to tender their shares in the Tender Offer even though the Recommendation Statement contained  
27 untrue statements of material fact and/or omitted to state material facts necessary in order to make  
28 the statements made, in the light of the circumstances under which they were made, not misleading,

1 as more fully specified above. Because the Recommendation Statement contains false and  
2 misleading statements and omissions, Morphic Stockholders have been deprived of their  
3 entitlement to make a fully informed decision as to whether to tender their shares in connection  
4 with the Tender Offer.

5 69. Defendants undoubtedly knew of, had access to and/or reviewed the omitted  
6 material information described above in connection with approving the Recommendation  
7 Statement, but allowed it to be omitted from the Recommendation Statement, rendering certain  
8 portions of the Recommendation Statement materially incomplete and misleading. As directors  
9 and officers of Morphic, the Individual Defendants had a duty to carefully review the  
10 Recommendation Statement before it was disseminated to the Company's shareholders to ensure  
11 that it did not contain untrue statements of material fact and did not omit material facts that would  
12 render other statements therein misleading.

13 70. Because Defendants disseminated the false and misleading Recommendation  
14 Statement to solicit Morphic Stockholders to tender their Morphic shares in the Tender Offer, the  
15 Recommendation Statement is an essential link in consummating the Merger. As a direct result of  
16 Defendants' preparation, review, and dissemination of the false and misleading Recommendation  
17 Statement, Plaintiff and other Morphic shareholders are unable to decide on a fully informed basis  
18 whether or not to tender their shares and accept the inadequate Merger Consideration in connection  
19 with the Merger.

20 71. The misrepresentations and omissions in the Recommendation Statement as more  
21 fully described above are material in that a reasonable Morphic Stockholder would consider them  
22 important in deciding whether to tender their shares in the Tender Offer. In addition, a reasonable  
23 Morphic Stockholder would view a full and accurate disclosure as having significantly altered the  
24 "total mix" of information made available in the Recommendation Statement.

25 72. Plaintiff and the Class have no adequate remedy at law. Only through the exercise  
26 of this Court's equitable power to issue an injunction can Plaintiff and the Class be fully protected  
27 from the immediate and irreparable injury that Defendants' actions threaten to inflict if the material  
28 misrepresentations and omissions alleged herein are not corrected prior to the Expiration Time.

**COUNT II**

**Against the Individual Defendants for Violations of Section 20(a) of the Exchange Act**

73. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

74. The Individual Defendants acted as controlling persons of Morpic within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers and/or directors of Morpic and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false and misleading statements contained in the Recommendation Statement, they had the power to influence and control and did influence and control, directly or indirectly, the decision making of the Company, including the content and dissemination of the various statements that Plaintiff contend are false and/or misleading.

75. Each of the Individual Defendants was provided with or had unlimited access to copies of the Recommendation Statement alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause them to be corrected.

76. By virtue of their positions with the Company, each of the Individual Defendants is presumed to have had the power to control and influence the particular transactions giving rise to the violations as alleged herein, and exercised the same. The Recommendation Statement contains the unanimous recommendation of the Individual Defendants to approve the Tender Offer. They were thus directly involved in the making of the Recommendation Statement.

77. By virtue of the foregoing, the Individual Defendants violated Section 20(a) of the Exchange Act.

78. As set forth above, the Individual Defendants had the ability to exercise control over and did control a person or persons who have each violated Section 14(e) of the Exchange Act, by their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these defendants are liable pursuant to Section 20(a) of the Exchange Act. Plaintiff and the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury

1 that Defendants' actions threaten to inflict if the material misrepresentations and omissions alleged  
2 herein are not corrected prior to the Expiration Time.

3 **COUNT III**

4 **Against the Individual Defendants for Breach of Their Fiduciary Duty of Candor/Disclosure**

5 79. Plaintiff incorporates each and every allegation set forth above as if fully set forth  
6 herein.

7 80. By virtue of their role as directors and/or officers of the Company, the Individual  
8 Defendants directly owed Plaintiff and all Company shareholders a fiduciary duty of  
9 candor/disclosure under Delaware law, which required them to disclose fully and fairly all material  
10 information within their control when they seek shareholder action, and to ensure that the  
11 Recommendation Statement did not omit any material information or contain any materially  
12 misleading statements.

13 81. As alleged herein, the Individual Defendants breached their duty of  
14 candor/disclosure by approving or causing the materially deficient Recommendation Statement to  
15 be disseminated to Plaintiff and the Company's other public shareholders.

16 82. The misrepresentations and omissions in the Recommendation Statement are  
17 material, and Plaintiff and other Morpic Stockholders will be deprived of their right to make an  
18 informed decision on whether to tender their shares to Lilly if such misrepresentations and  
19 omissions are not corrected prior to the Expiration Time. Where a shareholder has been denied  
20 one of the most critical rights he or she possesses—the right to fully informed corporate suffrage—  
21 the harm suffered is irreparable.

22 83. Plaintiff and the Class have no adequate remedy at law. Only through the exercise  
23 of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate  
24 and irreparable injury that Defendants' actions threaten to inflict if the material misrepresentations  
25 and omissions alleged herein are not corrected prior to the Expiration Time.

**RELIEF REQUESTED**

WHEREFORE, Plaintiff demands relief in favor of himself and the Class against the Defendants jointly and severally, as follows:

A. Declaring that this action is properly maintainable as a class action and certifying Plaintiff as the Class representatives and Plaintiff’s counsel as Class counsel;

B. Preliminarily enjoining expiration of the Tender Offer, and enjoining Defendants and their counsel, agents, employees, and all persons acting under, in concert with, or for them, from proceeding with, consummating the Merger, until Defendants disclose the material information identified above that has been omitted from the Recommendation Statement;

C. Rescinding, to the extent already implemented, the Merger Agreement or any of the terms thereof, or granting Plaintiff rescissory damages;

D. Directing the Defendants to account to Plaintiff for all damages suffered as a result of their wrongdoing;

E. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys’ and expert fees and expenses; and

F. Granting such other and further equitable relief as this Court may deem just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury.

DATED: July 25, 2024

Respectfully submitted,

**OF COUNSEL**

/s/ David E. Bower

David E. Bower

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