

1
2
3
4
5
6
7
8
9
10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12
13
14 Others Similarly Situated,
15 Plaintiff,

16 v.

17 CAPRICOR THERAPEUTICS, INC.,
18 LINDA MARBAN, ANTHONY J.
19 BERGMANN,
20 Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

1 Plaintiff (“Plaintiff”), individually and on behalf of
2 all others similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Capricor Therapeutics, Inc.
7 (“Capricor” or the “Company”) with the United States (“U.S.”) Securities and
8 Exchange Commission (“SEC”); (b) review and analysis of press releases and media
9 reports issued by and disseminated by Capricor; and (c) review of other publicly
10 available information concerning Capricor.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Capricor securities between December 17, 2025 and July 26,
14 2026, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants
15 under the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Capricor is a biotechnology company focused on the development of cell
17 and exosome-based therapeutics for the treatment of Duchenne muscular dystrophy,
18 a rare genetic disorder characterized by progressive muscle degeneration and
19 premature death. Its lead product candidate is DeramioceL, a cell therapy to address
20 cardiac and skeletal muscle complications associated with Duchenne muscular
21 dystrophy.

22 3. In late 2024, Capricor submitted its Biologics License Application
23 (“BLA”) to the U.S. Food and Drug Administration for DeramioceL as a cell therapy
24 for the treatment of Duchenne muscular dystrophy.

25 4. In July 2025, the FDA issued a Complete Response Letter because it
26 could not approve the BLA in its current form. According to the Company, the CRL
27 cited “that the BLA does not meet the statutory requirement for substantial evidence
28

1 of effectiveness and the need for additional clinical data.” By March 2026, Capricor
2 claimed it had addressed the issues identified in the CRL.

3 5. On July 27, 2026, before the market opened, the U.S. Food and Drug
4 Administration (“FDA”) released briefing documents ahead of its July 29 advisory
5 committee (“AdCom”) meeting for the BLA. According to the briefing documents,
6 Capricor made changes to the pre-specified statistical analysis plan (“SAP”) and that
7 the final version “was not submitted to FDA for review prior to BLA submission and
8 was not discussed and consequently not agreed upon.” Critically, the final SAP was
9 created one day before the data was unblinded. The FDA disagreed with the changes
10 made to the SAP, stating that the “FDA does not consider the conversion of raw
11 change to percent change and then back to raw change to have been scientifically
12 justified, as it adds complexity and reduces accuracy.” As a result, the FDA stated
13 that it “considers [Capricor’s] analyses based on the post-study SAP versions to be
14 post-hoc and exploratory.” According to the briefing documents, “*the benefit-risk*
15 *assessment for deramioceol appears unfavorable in the absence of evidence of*
16 *effectiveness.*”¹

17 6. The same day, at 11:00 a.m. ET, the Company provided “an update”
18 ahead of the AdCom meeting, stating that “Capricor has engaged fully and
19 transparently with the FDA throughout the review process” and that “[i]t is critical to
20 understand that the post-hoc analyses in the FDA’s briefing materials rely on SAP
21 version 1.1, an unsigned incomplete internal draft which became obsolete with the
22 addition of cohort B and did not include content specifically requested by the FDA.”

23 7. The same day, Cantor Fitzgerald published an investor note, stating the
24 FDA’s “briefing documents paint an ugly picture” and “*raise several concerns and*
25 *make allegations about the integrity of data collecting.*”
26
27

28 ¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 8. On this news, Capricor's stock fell \$12.70, or 64%, to close at \$7.00 per
2 share on July 27, 2026, on unusually heavy trading volume.

3 9. On July 29, 2026, the AdCom met to discuss the DeramioceL BLA. The
4 next day, Medscape reported that the panel relied on SAP version 1.1 as the
5 "prespecified plan" and, in a non-binding 9-3 vote, the panel "concluded that the
6 available evidence does not support the efficacy of deramioceL for treating DMD-
7 associated cardiomyopathy."

8 10. On this news, Capricor's stock fell \$2.38, or 36%, to close at \$4.19 per
9 share on July 30, 2026, on unusually heavy trading volume.

10 11. Throughout the Class Period, Defendants made materially false and/or
11 misleading statements, as well as failed to disclose material adverse facts about the
12 Company's business, operations, and prospects. Specifically, Defendants failed to
13 disclose to investors: (1) that the Company adopted changes to the pre-specified
14 statistical analysis plan used to analyze clinical data for DeramioceL; (2) that the FDA
15 had not agreed to those changes before the Company resubmitted the DeramioceL
16 BLA; (3) that, as a result, there was a significant risk that the FDA could conclude the
17 clinical results did not provide substantial evidence of effectiveness of DeramioceL;
18 (4) that, as a result of the foregoing, there was a substantial risk to regulatory approval
19 of DeramioceL for the treatment of Duchenne muscular dystrophy; and (5) that, as a
20 result of the foregoing, Defendants' positive statements about the Company's
21 business, operations, and prospects were materially misleading and/or lacked a
22 reasonable basis.

23 12. As a result of Defendants' wrongful acts and omissions, and the
24 precipitous decline in the market value of the Company's securities, Plaintiff and
25 other Class members have suffered significant losses and damages.
26
27
28

JURISDICTION AND VENUE

13. The claims asserted herein arise under 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).

14. 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 (15 U.S.C. § 78aa).

15. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are in this District.

16. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

17. Plaintiff _____, as set forth in the accompanying certification, incorporated by reference herein, purchased Capricor securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

18. Defendant Capricor is incorporated under the laws of Delaware with its principal executive offices located in San Diego, California. Capricor's common stock trades on the NASDAQ exchange under the symbol "CAPR."

19. Defendant Linda Marban ("Marban") was the Chief Executive Officer ("CEO") of Capricor at all relevant times.

1 20. Defendant Anthony J. Bergmann (“Bergmann”) was the Chief Financial
2 Officer (“CFO”) at Capricor at all relevant times.

3 21. Defendants Marban and Bergmann (collectively the “Individual
4 Defendants”), because of their positions with the Company, possessed the power and
5 authority to control the contents of the Company’s reports to the SEC, press releases
6 and presentations to securities analysts, money and portfolio managers and
7 institutional investors, i.e., the market. The Individual Defendants were provided with
8 copies of the Company’s reports and press releases alleged herein to be misleading
9 prior to, or shortly after, their issuance and had the ability and opportunity to prevent
10 their issuance or cause them to be corrected. Because of their positions and access to
11 material non-public information available to them, the Individual Defendants knew
12 that the adverse facts specified herein had not been disclosed to, and were being
13 concealed from, the public, and that the positive representations which were being
14 made were then materially false and/or misleading. The Individual Defendants are
15 liable for the false statements pleaded herein.

16 **SUBSTANTIVE ALLEGATIONS**

17 **Background**

18 22. Capricor is a biotechnology company focused on the development of cell
19 and exosome-based therapeutics for the treatment of Duchenne muscular dystrophy,
20 a rare genetic disorder characterized by progressive muscle degeneration and
21 premature death. Its lead product candidate is Deramioce, a cell therapy to address
22 cardiac and skeletal muscle complications associated with Duchenne muscular
23 dystrophy.

24 23. In late 2024, Capricor submitted its Biologics License Application
25 (“BLA”) to the U.S. Food and Drug Administration for Deramioce as a cell therapy
26 for the treatment of Duchenne muscular dystrophy.

27 24. In July 2025, the FDA issued a Complete Response Letter because it
28 could not approve the BLA in its current form. According to the Company, the CRL

1 cited “that the BLA does not meet the statutory requirement for substantial evidence
2 of effectiveness and the need for additional clinical data.”

3 **Materially False and Misleading**

4 **Statements Issued During the Class Period**

5 25. The Class Period begins on December 17, 2025. On that day, Capricor
6 participated in a webinar with Parent Project Muscular Dystrophy to “discuss positive
7 topline results from Capricor’s Phase 3 HOPE-3 trial evaluating Deramioce^l” and
8 “how the findings inform ongoing regulatory discussions.” During the webinar,
9 Defendant Marban stated, in relevant part:

10 So what this is called is a fourth plot. And you guys probably have seen
11 me present one similar to this from the HOPE-2 study before, but just to
12 remind you that it basically shows the propensity of multiple endpoints
13 either due to a treatment effect of the drug that you're giving or whether
14 or not it's driving towards placebo or basically no clinical efficacy. And
15 what we can see here in the performance of the upper limb 2.0, *our*
16 *primary efficacy endpoint, it's trending, in fact, statistically significant*
17 *towards deramioce^l being the effective in treating the skeletal muscle*
18 *myopathy.*

19 We saw the key secondary endpoint, a key secondary endpoint is very
20 important nomenclature because it allows for labeling opportunities. We
21 saw improvement and statistical significance in cardiac function in the
22 patients that were treated with deramioce^l compared to placebo. Digging
23 down a little deeper, we saw that we had even more statistical
24 significance in the mid-level dimension of the POL 2.0. Dr. McDonald
25 did a great job of describing that, but I'll just remind you that's arm
26 function, so might be correlated with the ability to feed yourself or take
27 a drink of water or as Pat used to say, to hug your mother. The total
28 global statistical test was also statistically significant in terms of field
function and survived metrics, so skeletal muscle function, cardiac
improvement of left ventricular ejection fraction. And finally, a patient-
reported outcome measure called the PGI.

And then finally, as John just talked about late gadolinium enhancement,
which is the amount of scar in the heart, and we see that, that was
statistically significant too. All of these are what statisticians call type 1
error controlled. That means that you put very, very tight regulation
around them mathematically as to whether what you're seeing can be due
to chance or whether, in fact, it is actually due to treatment by your
therapeutic. So taken together, we are going to present this data to the
FDA. *We believe that this should answer all the questions raised in*
their complete response letter on the BLA that was submitted last
December, and we're hoping to move rapidly towards an approval for
deramioce^l in DMD, not only now cardiomyopathy, but also skeletal
muscle function.

1 26. On January 20, 2026, Capricor issued a press release to provide a
 2 “Regulatory Update on DeramioceL BLA Following FDA Review of HOPE-3 Topline
 3 Data.” It stated, in relevant part:

4 As previously disclosed, the Company provided topline results from its
 5 Phase 3 HOPE-3 clinical study to the U.S. Food and Drug
 6 Administration (FDA) in late 2025. Following its review of these data,
 7 the FDA has formally requested the full HOPE-3 clinical study report
 (CSR) and supporting data to address the Complete Response Letter
 (CRL). The FDA did not request any additional clinical studies or new
 patient data as part of this request.

8 Preparation of the HOPE-3 CSR is well underway, and the Company
 9 plans to submit the requested materials to the FDA in February 2026.
 10 ***The Company expects that this submission will address the items
 outlined in the CRL and support continued review of the BLA,***
 including the assignment of a new Prescription Drug User Fee Act
 (PDUFA) target action date.

11 ***“We are actively engaging with the FDA in order to facilitate an
 12 efficient review of the HOPE-3 data that directly address the issues
 raised in the CRL we received in July 2025.*** We were pleased that the
 13 FDA requested the HOPE-3 clinical study report, as this is an expected
 14 and appropriate next step following their initial review of the topline
 data,” said Linda Marbán, Ph.D., Chief Executive Officer of Capricor.
 15 “The HOPE-3 results demonstrated statistically significant and clinically
 16 meaningful improvements in both skeletal muscle and cardiac
 17 function—key drivers of disease progression and long-term outcomes in
 18 Duchenne. These findings build on more than a decade of consistent
 clinical evidence and reinforce our confidence in DeramioceL’s potential.
 Our near-term priority is to address the FDA’s request and continue
 working collaboratively so that patients with late-stage DMD, who
 currently have very limited treatment options, may gain access to
 DeramioceL as soon as possible.”

19 27. On March 10, 2026, Capricor announced a PDUFA target action date of
 20 August 22, 2026. Specifically, the Company issued a press release that stated, in
 21 relevant part:

22 Capricor Therapeutics (NASDAQ: CAPR), a biotechnology company
 23 developing transformative cell and exosome-based therapeutics for the
 24 treatment of rare diseases, today announced that the U.S. Food and Drug
 25 Administration (“FDA”) has lifted the previously issued Complete
 Response Letter and resumed review of its Biologics License
 26 Application (“BLA”) seeking full approval of DeramioceL, an
 investigational cell therapy, for the treatment of Duchenne muscular
 27 dystrophy (“DMD”) cardiomyopathy. The submission has been
 classified as a Class 2 resubmission, with a Prescription Drug User Fee
 Act (“PDUFA”) target action date of August 22, 2026.

1 “We are encouraged by the FDA’s acknowledgment of our response to
 2 the Complete Response Letter and its continued review of our BLA for
 3 Deramiciol,” said Linda Marbán, Ph.D., Chief Executive Officer of
 4 Capricor. “We believe the positive HOPE-3 results and broader clinical
 5 evidence reinforce Deramiciol’s potential to become a first-in-class
 6 therapy for Duchenne muscular dystrophy, with the opportunity to
 7 address both skeletal and cardiac manifestations of the disease. We look
 8 forward to continuing to work closely with the FDA throughout the
 9 review process and remain focused on bringing this important therapy to
 10 patients as expeditiously as possible.”

11 The Company received a Complete Response Letter (“CRL”) from the
 12 FDA in July 2025. Following submission of data and supporting
 13 documentation from the HOPE-3 clinical trial, the FDA resumed review
 14 of the application and assigned a PDUFA target action date of August
 15 22, 2026. At this time, the FDA has not identified any potential review
 16 issues in its response to the Company.

17 Capricor also expects to be eligible to receive a Priority Review Voucher
 18 (“PRV”) upon potential approval of Deramiciol.

19 28. On March 12, 2026, Capricor issued a press release to announce its
 20 fourth quarter and full year 2025 financial results and provide a corporate update. It
 21 stated, in relevant part:

22 “Capricor enters 2026 with important regulatory and clinical momentum
 23 as we work toward potential approval of Deramiciol for the treatment of
 24 Duchenne muscular dystrophy (DMD),” said Linda Marbán, Ph.D.,
 25 Chief Executive Officer of Capricor. “With the FDA review of our BLA
 26 underway and a PDUFA target action date of August 22, 2026, our
 27 highest priority is execution, including working closely with the Agency,
 28 preparing for potential launch, and continuing to build the capabilities
 for a commercial-stage company. ***Recent late-breaking data presented
 at the 2026 MDA Clinical & Scientific Conference further reinforced
 the strength of the program, highlighting Deramiciol’s impact on both
 cardiac and skeletal muscle function in Duchenne. These findings
 build on the positive topline results from the Phase 3 HOPE-3 study and
 reinforce Deramiciol’s potential to become a first-in-class therapy for
 Duchenne designed to address both the skeletal and cardiac
 manifestations of this devastating disease.*** At the same time, we remain
 focused on advancing our exosome platform and expanding the long-
 term potential of our pipeline. Supported by a strong balance sheet, we
 believe we are well positioned to execute on these priorities and deliver
 meaningful value for patients, families, and shareholders.”

29 **Fourth Quarter 2025 and Recent Highlights**

- 30 • **Deramiciol BLA Under FDA Review:** Capricor’s Biologics License
 31 Application (BLA) seeking full approval of Deramiciol for the treatment
 32 of DMD is currently under review by the U.S. Food and Drug
 33 Administration. The FDA informed the Company that its response to the
 34 previously issued Complete Response Letter was complete to support
 35 continued review and assigned a Prescription Drug User Fee Act

(PDUFA) target action date of August 22, 2026. The FDA classified the submission as a Class 2 resubmission.

- **Positive Phase 3 HOPE-3 Trial Results:** Capricor reported positive topline results from the HOPE-3 Phase 3 trial, a multicenter, randomized, double-blind, placebo-controlled study which enrolled 106 patients with DMD. The trial met its primary endpoint of Performance of the Upper Limb (PUL v2.0) and the key secondary cardiac endpoint of left ventricular ejection fraction (LVEF), with both achieving statistical significance ($p=0.03$ and $p=0.04$, respectively). All Type I error-controlled secondary endpoints also achieved statistical significance. DeramioceI maintained a favorable safety and tolerability profile consistent with prior clinical studies.
- **Late-Breaking HOPE-3 Data Presented at MDA 2026:** Additional data from the HOPE-3 study were presented in a late-breaking oral presentation at the 2026 Muscular Dystrophy Association Clinical & Scientific Conference. Newly reported analyses further supported DeramioceI's potential impact on functional outcomes in Duchenne. Cardiac MRI analyses demonstrated a significant reduction in myocardial fibrosis as measured by late gadolinium enhancement (LGE), corresponding to a three-segment treatment difference versus placebo at 12 months ($p=0.022$). In patients with baseline cardiomyopathy, treatment resulted in a 3.3 percentage-point improvement in LVEF versus placebo, representing greater than 100% attenuation of expected cardiac decline ($p=0.017$). Additional functional outcomes were also presented. Data from the Duchenne Video Assessment (DVA), a measure of activities of daily living in individuals with Duchenne, showed the "eat 10 bites" task demonstrated approximately 83% slowing of disease progression versus placebo ($p=0.018$).
- **Commercial Launch Preparations Underway:** Capricor continues to advance commercial readiness in preparation for a potential launch. The Company's GMP manufacturing facility in San Diego successfully completed an FDA Pre-License Inspection (PLI) in connection with the BLA review process. All Form 483 observations have been addressed, and the facility is operational and positioned to support an initial commercial launch. Further manufacturing expansion is underway to increase capacity in anticipation of demand following potential approval.
- **Peer-Reviewed Publication on DeramioceI:** In October 2025, Capricor published a peer-reviewed paper in *Biomedicines* describing DeramioceI's anti-fibrotic and immunomodulatory mechanisms of action, including the release of exosomes and soluble factors that suppress fibrotic gene expression.

29. On March 17, 2026, Capricor filed its annual report on Form 10-K for the period ended December 31, 2025. Therein, the Company stated, in relevant part:

Biologics License Application: In late 2024, we completed our submission of a BLA to the FDA seeking approval of DeramioceI for the treatment of Duchenne muscular dystrophy. The FDA accepted the BLA for review, granted Priority Review, and assigned a PDUFA target action date of August 31, 2025. In July 2025, we received a Complete Response

1 Letter ("CRL") from the FDA stating that the application did not meet
2 the statutory requirement for substantial evidence of effectiveness and
requesting additional clinical data.

3 ***Following a Type A meeting with the FDA in August 2025, we aligned***
4 ***with the Agency on a regulatory path forward to address the CRL,***
5 ***including the submission of additional clinical data from the Phase 3***
6 ***HOPE-3 trial.*** We subsequently submitted our response to the CRL,
7 which the FDA accepted as a complete response and classified as a Class
2 resubmission, assigning a new Prescription Drug User Fee Act target
action date of August 22, 2026. If approved, Deramiciol has the potential
to become the first therapy designed to address both skeletal and cardiac
muscle manifestations of Duchenne muscular dystrophy.

8 30. On May 12, 2026, Capricor issued a press release to announce its first
9 quarter 2026 financial results and provide a corporate update. It stated, in relevant
10 part:

11 ***First Quarter 2026 and Recent Highlights***

- 12 • **Deramiciol BLA Under FDA Review:** Capricor's Biologics License
13 Application (BLA) seeking approval of Deramiciol for the treatment of
14 DMD is currently under review by the U.S. Food and Drug
15 Administration. The FDA accepted the Company's Class 2 resubmission
16 as complete, resuming its full review of the BLA, with a PDUFA target
17 action date of August 22, 2026. ***There has been a significant number of***
18 ***information requests from FDA to Capricor, all of which the Company***
19 ***has been able to address. The Company looks forward to continuing***
20 ***an active dialogue with the FDA and expects labeling discussions to***
21 ***commence soon.***
- 22 • **Additional HOPE-3 Late-Breaking Data Presented at MDA, AAN,**
23 **and ASGCT (2026):** HOPE-3 data were selected as one of only four
24 late-breaking oral presentations at the 2026 MDA Clinical & Scientific
25 Conference. Data were also presented at the 2026 AAN Annual Meeting
26 and the 2026 ASGCT Annual Meeting. Cardiac MRI analyses showed a
27 significant reduction in myocardial fibrosis by late gadolinium
28 enhancement (LGE) versus placebo, a clinically meaningful finding
given that fibrosis is cumulative and irreversible. The Duchenne Video
Assessment (DVA) "eat 10 bites" measure, a home-based, caregiver-
captured assessment of upper limb function and daily living activities,
demonstrated statistically significant improvement versus placebo,
directly correlated with patient independence and quality of life. The full
HOPE-3 dataset has been submitted for publication to a peer-reviewed
journal.
- **Commercial Launch Preparations Underway:** The Company's GMP
manufacturing facility in San Diego successfully completed an FDA Pre-
License Inspection, with all Form 483 observations addressed. The
facility is operational and positioned to support initial commercial
launch. Second-floor expansion adding additional cleanrooms is well
underway, scaling to approximately 2,000–2,500 patients per year,
roughly 10,000 doses annually, at full capacity, with full facility

validation and FDA approval targeted for the first half of 2027. The Company will begin stockpiling commercial doses once guidance on the label is received. Planning is underway across all critical launch functions, including patient support, market access, reimbursement planning, medical affairs and physician education.

31. The above statements identified in ¶¶25-30 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company adopted changes to the pre-specified statistical analysis plan used to analyze clinical data for Deramioce; (2) that the FDA had not agreed to those changes before the Company resubmitted the Deramioce BLA; (3) that, as a result, there was a significant risk that the FDA could conclude the clinical results did not provide substantial evidence of effectiveness of Deramioce; (4) that, as a result of the foregoing, there was a substantial risk to regulatory approval of Deramioce for the treatment of Duchenne muscular dystrophy; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

32. On July 27, 2026, before the market opened, the FDA released briefing documents ahead of its AdCom meeting for the BLA. According to the briefing documents, Capricor made changes to the pre-specified statistical analysis plan ("SAP") and that the final version "was not submitted to FDA for review prior to BLA submission and was not discussed and consequently not agreed upon." In the overview of the issues, the briefing documents stated:

Study HOPE-3 was a phase 3, randomized, double blind, placebo controlled, 12-month study of deramioce compared to placebo in males with DMD who were predominantly non-ambulatory and had an average age of 15 years old. . . . The study did not meet its pre-specified primary and secondary efficacy endpoints showing no statistically significant difference between deramioce and placebo at 12 months.

After completion of the randomized, double blind part of Study HOPE-3 and during Study HOPE-3-OLE (where all patients were treated with

deramiocele), changes were made to the pre-specified statistical analysis plan (SAP), generating at least 2 additional versions. *Those changes included modifications to the primary and key secondary endpoint definitions; the analytical methods; and the data imputation strategy for certain intercurrent events. FDA noted that the Applicant's final analyses presented in the BLA submission included additional statistical changes without an associated, updated SAP. The final version of the SAP (v. 3.0), dated November 24, 2025 was not submitted to FDA for review prior to BLA submission and was not discussed and consequently not agreed upon. In addition, the process for SAP changes outlined in the study's pre-specified blinding plan was not followed and the final clinical study protocol (Protocol 9.0) deviated from the associated SAP (v. 3.0).* Lastly, the distinctive adverse event profile observed between treatment groups —hypersensitivity reactions seen in 42% of deramiocele-treated patients versus 15% of placebo-treated patients — raises the possibility that treatment assignment could be inferred even under formal blinding conditions. This risk of functional unblinding was further extended by the open-label period of HOPE-3, during which additional treatment-related data accumulated and may have made treatment assignment more apparent. Given the post-hoc nature of the SAP changes, FDA considers all analyses implemented following study completion.

33. The FDA disagreed with the changes made to the SAP, stating that the “FDA does not consider the conversion of raw change to percent change and then back to raw change to have been scientifically justified, as it adds complexity and reduces accuracy.”

34. Critically, the final SAP was created one day before the data was unblinded. The briefing documents described the relevant history of regulatory milestones, in relevant part:

Date	Milestone	Topic
November 24, 2025	SAP 3.0* created by Applicant	Not submitted to FDA for review and comment, No FDA concurrence
November 25, 2025	Database lock and data unblinding for Study HOPE-3	
December 29, 2025	BLA resubmission	Study HOPE-3 (missing documents)
January 13, 2026	Incomplete Response Letter	The submission was deemed incomplete due to multiple missing documents, including a complete clinical study report, all versions of the clinical protocol and Statistical Analysis Plan, and narrative summaries.
February 20, 2026	BLA resubmission	Study HOPE-3 with requested additional data and information for a complete submission

35. As a result, the FDA stated that it “considers [Capricor’s] analyses based on the post-study SAP versions to be post-hoc and exploratory.” According to the

1 briefing documents, “*the benefit-risk assessment for deramioce*l appears
2 *unfavorable in the absence of evidence of effectiveness.*”

3 36. The same day, at 11:00 a.m. ET, the Company provided “an update”
4 ahead of the AdCom meeting, stating that “Capricor has engaged fully and
5 transparently with the FDA throughout the review process” and that “[i]t is critical to
6 understand that the post-hoc analyses in the FDA’s briefing materials rely on SAP
7 version 1.1, an unsigned incomplete internal draft which became obsolete with the
8 addition of cohort B and did not include content specifically requested by the FDA.”

9 37. The same day, Cantor Fitzgerald published an investor note, stating the
10 FDA’s “briefing documents paint an ugly picture” and “*raise several concerns and*
11 *make allegations about the integrity of data collecting.*”

12 38. On this news, Capricor’s stock fell \$12.70, or 64%, to close at \$7.00 per
13 share on July 27, 2026, on unusually heavy trading volume.

14 39. On July 29, 2026, the AdCom met to discuss the Deramioce

15 l BLA. The next day, Medscape reported that the panel relied on SAP version 1.1 as the
16 “prespecified plan” and, in a non-binding 9-3 vote, the panel “concluded that the
17 available evidence does not support the efficacy of deramioce

18 l for treating DMD-associated cardiomyopathy.”

19 40. On this news, Capricor’s stock fell \$2.38, or 36%, to close at \$4.19 per
20 share on July 30, 2026, on unusually heavy trading volume.

21 CLASS ACTION ALLEGATIONS

22 41. Plaintiff brings this action as a class action pursuant to Federal Rule of
23 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
24 entities that purchased or otherwise acquired Capricor securities between December
25 17, 2025 and July 26, 2026, inclusive, and who were damaged thereby (the “Class”).
26 Excluded from the Class are Defendants, the officers and directors of the Company,
27 at all relevant times, members of their immediate families and their legal
28

1 representatives, heirs, successors, or assigns, and any entity in which Defendants have
2 or had a controlling interest.

3 42. The members of the Class are so numerous that joinder of all members
4 is impracticable. Throughout the Class Period, Capricor's shares actively traded on
5 the NASDAQ. While the exact number of Class members is unknown to Plaintiff at
6 this time and can only be ascertained through appropriate discovery, Plaintiff believes
7 that there are at least hundreds or thousands of members in the proposed Class.
8 Millions of Capricor shares were traded publicly during the Class Period on the
9 NASDAQ. Record owners and other members of the Class may be identified from
10 records maintained by Capricor or its transfer agent and may be notified of the
11 pendency of this action by mail, using the form of notice similar to that customarily
12 used in securities class actions.

13 43. Plaintiff's claims are typical of the claims of the members of the Class
14 as all members of the Class are similarly affected by Defendants' wrongful conduct
15 in violation of federal law that is complained of herein.

16 44. Plaintiff will fairly and adequately protect the interests of the members
17 of the Class and has retained counsel competent and experienced in class and
18 securities litigation.

19 45. Common questions of law and fact exist as to all members of the Class
20 and predominate over any questions solely affecting individual members of the Class.
21 Among the questions of law and fact common to the Class are:

22 (a) whether the federal securities laws were violated by Defendants'
23 acts as alleged herein;

24 (b) whether statements made by Defendants to the investing public
25 during the Class Period omitted and/or misrepresented material facts about the
26 business, operations, and prospects of Capricor; and

27 (c) to what extent the members of the Class have sustained damages
28 and the proper measure of damages.

1 46. A class action is superior to all other available methods for the fair and
2 efficient adjudication of this controversy since joinder of all members is
3 impracticable. Furthermore, as the damages suffered by individual Class members
4 may be relatively small, the expense and burden of individual litigation makes it
5 impossible for members of the Class to individually redress the wrongs done to them.
6 There will be no difficulty in the management of this action as a class action.

7 **UNDISCLOSED ADVERSE FACTS**

8 47. The market for Capricor's securities was open, well-developed and
9 efficient at all relevant times. As a result of these materially false and/or misleading
10 statements, and/or failures to disclose, Capricor's securities traded at artificially
11 inflated prices during the Class Period. Plaintiff and other members of the Class
12 purchased or otherwise acquired Capricor's securities relying upon the integrity of the
13 market price of the Company's securities and market information relating to Capricor,
14 and have been damaged thereby.

15 48. During the Class Period, Defendants materially misled the investing
16 public, thereby inflating the price of Capricor's securities, by publicly issuing false
17 and/or misleading statements and/or omitting to disclose material facts necessary to
18 make Defendants' statements, as set forth herein, not false and/or misleading. The
19 statements and omissions were materially false and/or misleading because they failed
20 to disclose material adverse information and/or misrepresented the truth about
21 Capricor's business, operations, and prospects as alleged herein.

22 49. At all relevant times, the material misrepresentations and omissions
23 particularized in this Complaint directly or proximately caused or were a substantial
24 contributing cause of the damages sustained by Plaintiff and other members of the
25 Class. As described herein, during the Class Period, Defendants made or caused to
26 be made a series of materially false and/or misleading statements about Capricor's
27 financial well-being and prospects. These material misstatements and/or omissions
28 had the cause and effect of creating in the market an unrealistically positive

1 assessment of the Company and its financial well-being and prospects, thus causing
2 the Company's securities to be overvalued and artificially inflated at all relevant
3 times. Defendants' materially false and/or misleading statements during the Class
4 Period resulted in Plaintiff and other members of the Class purchasing the Company's
5 securities at artificially inflated prices, thus causing the damages complained of herein
6 when the truth was revealed.

7 **LOSS CAUSATION**

8 50. Defendants' wrongful conduct, as alleged herein, directly and
9 proximately caused the economic loss suffered by Plaintiff and the Class.

10 51. During the Class Period, Plaintiff and the Class purchased Capricor's
11 securities at artificially inflated prices and were damaged thereby. The price of the
12 Company's securities significantly declined when the misrepresentations made to the
13 market, and/or the information alleged herein to have been concealed from the market,
14 and/or the effects thereof, were revealed, causing investors' losses.

15 **SCIENTER ALLEGATIONS**

16 52. As alleged herein, Defendants acted with scienter since Defendants knew
17 that the public documents and statements issued or disseminated in the name of the
18 Company were materially false and/or misleading; knew that such statements or
19 documents would be issued or disseminated to the investing public; and knowingly
20 and substantially participated or acquiesced in the issuance or dissemination of such
21 statements or documents as primary violations of the federal securities laws. As set
22 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
23 of information reflecting the true facts regarding Capricor, their control over, and/or
24 receipt and/or modification of Capricor's allegedly materially misleading
25 misstatements and/or their associations with the Company which made them privy to
26 confidential proprietary information concerning Capricor, participated in the
27 fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE
(FRAUD-ON-THE-MARKET DOCTRINE)

53. The market for Capricor's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Capricor's securities traded at artificially inflated prices during the Class Period. On April 21, 2026, the Company's share price closed at a Class Period high of \$35.34 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Capricor's securities and market information relating to Capricor, and have been damaged thereby.

54. During the Class Period, the artificial inflation of Capricor's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Capricor's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Capricor and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

55. At all relevant times, the market for Capricor's securities was an efficient market for the following reasons, among others:

(a) Capricor shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

1 (b) As a regulated issuer, Capricor filed periodic public reports with
2 the SEC and/or the NASDAQ;

3 (c) Capricor regularly communicated with public investors via
4 established market communication mechanisms, including through regular
5 dissemination of press releases on the national circuits of major newswire services
6 and through other wide-ranging public disclosures, such as communications with the
7 financial press and other similar reporting services; and/or

8 (d) Capricor was followed by securities analysts employed by
9 brokerage firms who wrote reports about the Company, and these reports were
10 distributed to the sales force and certain customers of their respective brokerage firms.
11 Each of these reports was publicly available and entered the public marketplace.

12 56. As a result of the foregoing, the market for Capricor's securities
13 promptly digested current information regarding Capricor from all publicly available
14 sources and reflected such information in Capricor's share price. Under these
15 circumstances, all purchasers of Capricor's securities during the Class Period suffered
16 similar injury through their purchase of Capricor's securities at artificially inflated
17 prices and a presumption of reliance applies.

18 57. A Class-wide presumption of reliance is also appropriate in this action
19 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
20 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
21 Defendants' material misstatements and/or omissions. Because this action involves
22 Defendants' failure to disclose material adverse information regarding the Company's
23 business operations and financial prospects—information that Defendants were
24 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
25 that is necessary is that the facts withheld be material in the sense that a reasonable
26 investor might have considered them important in making investment decisions.
27 Given the importance of the Class Period material misstatements and omissions set
28 forth above, that requirement is satisfied here.

NO SAFE HARBOR

58. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Capricor who knew that the statement was false when made.

FIRST CLAIM**Violation of Section 10(b) of The Exchange Act and
Rule 10b-5 Promulgated Thereunder****Against All Defendants**

59. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

60. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Capricor’s securities at artificially inflated prices. In furtherance of this unlawful scheme, plan

1 and course of conduct, Defendants, and each defendant, took the actions set forth
2 herein.

3 61. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
4 made untrue statements of material fact and/or omitted to state material facts
5 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
6 and a course of business which operated as a fraud and deceit upon the purchasers of
7 the Company's securities in an effort to maintain artificially high market prices for
8 Capricor's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-
9 5. All Defendants are sued either as primary participants in the wrongful and illegal
10 conduct charged herein or as controlling persons as alleged below.

11 62. Defendants, individually and in concert, directly and indirectly, by the
12 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
13 and participated in a continuous course of conduct to conceal adverse material
14 information about Capricor's financial well-being and prospects, as specified herein.

15 63. Defendants employed devices, schemes and artifices to defraud, while in
16 possession of material adverse non-public information and engaged in acts, practices,
17 and a course of conduct as alleged herein in an effort to assure investors of Capricor's
18 value and performance and continued substantial growth, which included the making
19 of, or the participation in the making of, untrue statements of material facts and/or
20 omitting to state material facts necessary in order to make the statements made about
21 Capricor and its business operations and future prospects in light of the circumstances
22 under which they were made, not misleading, as set forth more particularly herein,
23 and engaged in transactions, practices and a course of business which operated as a
24 fraud and deceit upon the purchasers of the Company's securities during the Class
25 Period.

26 64. Each of the Individual Defendants' primary liability and controlling
27 person liability arises from the following facts: (i) the Individual Defendants were
28 high-level executives and/or directors at the Company during the Class Period and

1 members of the Company's management team or had control thereof; (ii) each of
2 these defendants, by virtue of their responsibilities and activities as a senior officer
3 and/or director of the Company, was privy to and participated in the creation,
4 development and reporting of the Company's internal budgets, plans, projections
5 and/or reports; (iii) each of these defendants enjoyed significant personal contact and
6 familiarity with the other defendants and was advised of, and had access to, other
7 members of the Company's management team, internal reports and other data and
8 information about the Company's finances, operations, and sales at all relevant times;
9 and (iv) each of these defendants was aware of the Company's dissemination of
10 information to the investing public which they knew and/or recklessly disregarded
11 was materially false and misleading.

12 65. Defendants had actual knowledge of the misrepresentations and/or
13 omissions of material facts set forth herein, or acted with reckless disregard for the
14 truth in that they failed to ascertain and to disclose such facts, even though such facts
15 were available to them. Such defendants' material misrepresentations and/or
16 omissions were done knowingly or recklessly and for the purpose and effect of
17 concealing Capricor's financial well-being and prospects from the investing public
18 and supporting the artificially inflated price of its securities. As demonstrated by
19 Defendants' overstatements and/or misstatements of the Company's business,
20 operations, financial well-being, and prospects throughout the Class Period,
21 Defendants, if they did not have actual knowledge of the misrepresentations and/or
22 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
23 refraining from taking those steps necessary to discover whether those statements
24 were false or misleading.

25 66. As a result of the dissemination of the materially false and/or misleading
26 information and/or failure to disclose material facts, as set forth above, the market
27 price of Capricor's securities was artificially inflated during the Class Period. In
28 ignorance of the fact that market prices of the Company's securities were artificially

1 inflated, and relying directly or indirectly on the false and misleading statements made
2 by Defendants, or upon the integrity of the market in which the securities trades,
3 and/or in the absence of material adverse information that was known to or recklessly
4 disregarded by Defendants, but not disclosed in public statements by Defendants
5 during the Class Period, Plaintiff and the other members of the Class acquired
6 Capricor's securities during the Class Period at artificially high prices and were
7 damaged thereby.

8 67. At the time of said misrepresentations and/or omissions, Plaintiff and
9 other members of the Class were ignorant of their falsity, and believed them to be
10 true. Had Plaintiff and the other members of the Class and the marketplace known
11 the truth regarding the problems that Capricor was experiencing, which were not
12 disclosed by Defendants, Plaintiff and other members of the Class would not have
13 purchased or otherwise acquired their Capricor securities, or, if they had acquired
14 such securities during the Class Period, they would not have done so at the artificially
15 inflated prices which they paid.

16 68. By virtue of the foregoing, Defendants violated Section 10(b) of the
17 Exchange Act and Rule 10b-5 promulgated thereunder.

18 69. As a direct and proximate result of Defendants' wrongful conduct,
19 Plaintiff and the other members of the Class suffered damages in connection with
20 their respective purchases and sales of the Company's securities during the Class
21 Period.

22 **SECOND CLAIM**

23 **Violation of Section 20(a) of The Exchange Act**

24 **Against the Individual Defendants**

25 70. Plaintiff repeats and re-alleges each and every allegation contained
26 above as if fully set forth herein.

27 71. Individual Defendants acted as controlling persons of Capricor within
28 the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their

1 high-level positions and their ownership and contractual rights, participation in,
2 and/or awareness of the Company's operations and intimate knowledge of the false
3 financial statements filed by the Company with the SEC and disseminated to the
4 investing public, Individual Defendants had the power to influence and control and
5 did influence and control, directly or indirectly, the decision-making of the Company,
6 including the content and dissemination of the various statements which Plaintiff
7 contends are false and misleading. Individual Defendants were provided with or had
8 unlimited access to copies of the Company's reports, press releases, public filings,
9 and other statements alleged by Plaintiff to be misleading prior to and/or shortly after
10 these statements were issued and had the ability to prevent the issuance of the
11 statements or cause the statements to be corrected.

12 72. In particular, Individual Defendants had direct and supervisory
13 involvement in the day-to-day operations of the Company and, therefore, had the
14 power to control or influence the particular transactions giving rise to the securities
15 violations as alleged herein, and exercised the same.

16 73. As set forth above, Capricor and Individual Defendants each violated
17 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.
18 By virtue of their position as controlling persons, Individual Defendants are liable
19 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
20 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered
21 damages in connection with their purchases of the Company's securities during the
22 Class Period.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

25 (a) Determining that this action is a proper class action under Rule 23 of the
26 Federal Rules of Civil Procedure;

27 (b) Awarding compensatory damages in favor of Plaintiff and the other
28 Class members against all defendants, jointly and severally, for all damages sustained

1 as a result of Defendants' wrongdoing, in an amount to be proven at trial, including
2 interest thereon;

3 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
4 incurred in this action, including counsel fees and expert fees; and

5 (d) Such other and further relief as the Court may deem just and proper.

6 **JURY TRIAL DEMANDED**

7 Plaintiff hereby demands a trial by jury.

8
9 DATED: July 30, 2026
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28