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3 UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

4 _____, Individually and on Behalf of All
5 Others Similarly Situated,

6 Plaintiff,

7 v.

8 4D MOLECULAR THERAPEUTICS INC.,
9 DAVID KIRN, and UNEEK MEHRA,

10 Defendants.
11

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

12 Plaintiff _____ (“Plaintiff”), individually and on behalf of all others similarly
13 situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges
14 the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and
15 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted
16 by and through Plaintiff’s attorneys, which included, among other things, a review of the
17 Defendants’ public documents, conference calls and announcements made by Defendants, United
18 States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases
19 published by and regarding 4D Molecular Therapeutics Inc. (“4D” or the “Company”), analysts’
20 reports and advisories about the Company, and information readily obtainable on the Internet.
21 Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set
22 forth herein after a reasonable opportunity for discovery.
23
24

25 **NATURE OF THE ACTION**

26 1. This is a federal securities class action on behalf of a class consisting of all persons
27 and entities other than Defendants that purchased or otherwise acquired 4D securities between
28

1 February 4, 2024 and January 10, 2025, both dates inclusive (the “Class Period”), seeking to
2 recover damages caused by Defendants’ violations of the federal securities laws and to pursue
3 remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange
4 Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top
5 officials.

6
7 2. 4D is a clinical-stage biotherapeutics company that develops genetic medicines
8 using its therapeutic vector evolution platform. The Company’s product pipeline includes, *inter*
9 *alia*, 4D-150, which is in a Phase 1/2 clinical trial, called “PRISM,” for the treatment of wet age-
10 related macular degeneration (“AMD”).

11 3. Throughout the Class Period, Defendants made materially false and misleading
12 statements regarding the Company’s business, operations, and prospects. Specifically,
13 Defendants made false and/or misleading statements and/or failed to disclose that: (i) 4D-150 was
14 less durable than Defendants had led investors to believe; (ii) accordingly, Defendants had
15 overstated 4D-150’s clinical, regulatory, and commercial prospects, particularly given increased
16 competition in the wet AMD market; and (iii) as a result, the Company’s public statements were
17 materially false and misleading at all relevant times.

18
19 4. On January 13, 2024, BMO Capital Markets downgraded 4D to market perform
20 from outperform, citing the limited durability of 4D-150, which could limit its potential patient
21 population, as well as noting increased competition in the wet AMD market.

22
23 5. On this news, 4D’s stock price fell \$0.76 per share, or 13.77%, to close at \$4.76
24 per share on January 13, 2025.

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

1 **JURISDICTION AND VENUE**

2 7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of
3 the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by
4 the SEC (17 C.F.R. § 240.10b-5).

5 8. This Court has jurisdiction over the subject matter of this action pursuant to 28
6 U.S.C. § 1331 and Section 27 of the Exchange Act.

7 9. Venue is proper in this District pursuant to Section 27 of the Exchange Act (15
8 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). 4D is headquartered in this District, Defendants conduct
9 business in this District, and a significant portion of Defendants' activities took place within this
10 District.

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

15 **PARTIES**

16 11. Plaintiff, as set forth in the attached Certification, acquired 4D securities at
17 artificially inflated prices during the Class Period and was damaged upon the revelation of the
18 alleged corrective disclosures.

19 12. Defendant 4D is a Delaware corporation with principal executive offices located
20 at 5858 Horton Street, #455, Emeryville, California 94608. The Company's common stock trades
21 in an efficient market on the Nasdaq Global Select Market ("NASDAQ") under the ticker symbol
22 "FDMT."

23 13. Defendant David Kirn ("Kirn") has served as 4D's Chief Executive Officer at all
24 relevant times.

1 **Materially False and Misleading Statements Issued During the Class Period**

2 19. The Class Period begins on February 4, 2024, the day after 4D issued a press
3 release during after-market hours announcing purported positive interim data from the Phase 2
4 portion of the PRISM clinical trial evaluating intravitreal 4D-150 in wet AMD patients. The press
5 release quoted Defendant Kirn as stating, in relevant part, that the “positive interim results . . .
6 strongly validate 4D-150’s potential as a . . . durable and transformational intravitreal therapeutic
7 for wet AMD patients, with a goal of preserving vision for the longer term[.]”
8

9 20. On May 9, 2024, 4D issued a press release announcing its first quarter 2024
10 financial results and operational highlights. The press release stated, in relevant part, that “4D-
11 150 for wet AMD . . . [demonstrated d]urable responses . . . beyond one year in Phase 1 3E10
12 vg/eye dose cohort, with three patients injection-free through 80–104 weeks (up to 2 years) of
13 follow-up[.]”
14

15 21. On August 8, 2024, 4D issued a press release announcing its second quarter 2024
16 financial results and operational highlights. The press release stated, in relevant part, that 4D-
17 150’s “3E10 vg/eye dose demonstrated sustained and greater anatomic control without
18 fluctuations[.]”
19

20 22. The statements referenced in ¶¶ 19-21 were materially false and misleading
21 because Defendants made false and/or misleading statements, as well as failed to disclose material
22 adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants
23 made false and/or misleading statements and/or failed to disclose that: (i) 4D-150 was less durable
24 than Defendants had led investors to believe; (ii) accordingly, Defendants had overstated 4D-
25 150’s clinical, regulatory, and commercial prospects, particularly given increased competition in
26 the wet AMD market; and (iii) as a result, the Company’s public statements were materially false
27 and misleading at all relevant times.
28

1 **The Truth Emerges**

2 23. On January 13, 2024, BMO Capital Markets downgraded 4D to market perform
3 from outperform, citing the limited durability of 4D-150, which could limit its potential patient
4 population, as well as noting increased competition in the wet AMD market.

5 24. On this news, 4D's stock price fell \$0.76 per share, or 13.77%, to close at \$4.76
6 per share on January 13, 2025.

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

10 **SCIENTER ALLEGATIONS**

11 26. During the Class Period, Defendants had both the motive and opportunity to
12 commit fraud. They also had actual knowledge of the misleading nature of the statements they
13 made, or acted in reckless disregard of the true information known to them at the time. In so
14 doing, Defendants participated in a scheme to defraud and committed acts, practices, and
15 participated in a course of business that operated as a fraud or deceit on purchasers of the
16 Company's securities during the Class Period.

17 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

18 27. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
19 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise
20 acquired 4D securities during the Class Period (the "Class"); and were damaged upon the
21 revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein,
22 the officers and directors of the Company, at all relevant times, members of their immediate
23 families and their legal representatives, heirs, successors or assigns and any entity in which
24 Defendants have or had a controlling interest.

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

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

14 30. Plaintiff will fairly and adequately protect the interests of the members of the Class
15 and has retained counsel competent and experienced in class and securities litigation. Plaintiff
16 has no interests antagonistic to or in conflict with those of the Class.
17

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

- 21 • whether the federal securities laws were violated by Defendants' acts as alleged
22 herein;
- 23 • whether statements made by Defendants to the investing public during the Class
24 Period misrepresented material facts about the business, operations and
25 management of 4D;
- 26 • whether the Individual Defendants caused 4D to issue false and misleading
27 financial statements during the Class Period;
- 28 • whether Defendants acted knowingly or recklessly in issuing false and
 misleading financial statements;

- 1 • whether the prices of 4D securities during the Class Period were artificially
2 inflated because of the Defendants' conduct complained of herein; and
- 3 • whether the members of the Class have sustained damages and, if so, what is the
4 proper measure of damages.

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

11 33. Plaintiff will rely, in part, upon the presumption of reliance established by the
12 fraud-on-the-market doctrine in that:

- 13 • Defendants made public misrepresentations or failed to disclose material facts
14 during the Class Period;
- 15 • the omissions and misrepresentations were material;
- 16 • 4D securities are traded in an efficient market;
- 17 • the Company's shares were liquid and traded with moderate to heavy volume
18 during the Class Period;
- 19 • the Company traded on the NASDAQ and was covered by multiple analysts;
- 20 • the misrepresentations and omissions alleged would tend to induce a reasonable
21 investor to misjudge the value of the Company's securities; and
- 22 • Plaintiff and members of the Class purchased, acquired and/or sold 4D securities
23 between the time the Defendants failed to disclose or misrepresented material
24 facts and the time the true facts were disclosed, without knowledge of the
25 omitted or misrepresented facts.

26 34. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a
27 presumption of reliance upon the integrity of the market.

1 39. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
2 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
3 and annual reports, SEC filings, press releases and other statements and documents described
4 above, including statements made to securities analysts and the media that were designed to
5 influence the market for 4D securities. Such reports, filings, releases and statements were
6 materially false and misleading in that they failed to disclose material adverse information and
7 misrepresented the truth about 4D's finances and business prospects.
8

9 40. By virtue of their positions at 4D, Defendants had actual knowledge of the
10 materially false and misleading statements and material omissions alleged herein and intended
11 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
12 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
13 such facts as would reveal the materially false and misleading nature of the statements made,
14 although such facts were readily available to Defendants. Said acts and omissions of Defendants
15 were committed willfully or with reckless disregard for the truth. In addition, each Defendant
16 knew or recklessly disregarded that material facts were being misrepresented or omitted as
17 described above.
18

19 41. Information showing that Defendants acted knowingly or with reckless disregard
20 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers
21 and/or directors of 4D, the Individual Defendants had knowledge of the details of 4D's internal
22 affairs.
23

24 42. The Individual Defendants are liable both directly and indirectly for the wrongs
25 complained of herein. Because of their positions of control and authority, the Individual
26 Defendants were able to and did, directly or indirectly, control the content of the statements of
27 4D. As officers and/or directors of a publicly-held company, the Individual Defendants had a
28

1 duty to disseminate timely, accurate, and truthful information with respect to 4D's businesses,
2 operations, future financial condition and future prospects. As a result of the dissemination of the
3 aforementioned false and misleading reports, releases and public statements, the market price of
4 4D securities was artificially inflated throughout the Class Period. In ignorance of the adverse
5 facts concerning 4D's business and financial condition which were concealed by Defendants,
6 Plaintiff and the other members of the Class purchased or otherwise acquired 4D securities at
7 artificially inflated prices and relied upon the price of the securities, the integrity of the market
8 for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

10 43. During the Class Period, 4D securities were traded on an active and efficient
11 market. Plaintiff and the other members of the Class, relying on the materially false and
12 misleading statements described herein, which the Defendants made, issued or caused to be
13 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares
14 of 4D securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and
15 the other members of the Class known the truth, they would not have purchased or otherwise
16 acquired said securities, or would not have purchased or otherwise acquired them at the inflated
17 prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class,
18 the true value of 4D securities was substantially lower than the prices paid by Plaintiff and the
19 other members of the Class. The market price of 4D securities declined sharply upon public
20 disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

23 44. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
24 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
25 promulgated thereunder.

26 45. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and
27 the other members of the Class suffered damages in connection with their respective purchases,
28

1 acquisitions and sales of the Company's securities during the Class Period, upon the disclosure
2 that the Company had been disseminating misrepresented financial statements to the investing
3 public.

4 **COUNT II**

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

6 46. Plaintiff repeats and re-alleges each and every allegation contained in the
7 foregoing paragraphs as if fully set forth herein.

8 47. During the Class Period, the Individual Defendants participated in the operation
9 and management of 4D, and conducted and participated, directly and indirectly, in the conduct of
10 4D's business affairs. Because of their senior positions, they knew the adverse non-public
11 information about 4D's misstatement of income and expenses and false financial statements.
12

13 48. As officers and/or directors of a publicly owned company, the Individual
14 Defendants had a duty to disseminate accurate and truthful information with respect to 4D's
15 financial condition and results of operations, and to correct promptly any public statements issued
16 by 4D which had become materially false or misleading.
17

18 49. Because of their positions of control and authority as senior officers, the Individual
19 Defendants were able to, and did, control the contents of the various reports, press releases and
20 public filings which 4D disseminated in the marketplace during the Class Period concerning 4D's
21 results of operations. Throughout the Class Period, the Individual Defendants exercised their
22 power and authority to cause 4D to engage in the wrongful acts complained of herein. The
23 Individual Defendants, therefore, were "controlling persons" of 4D within the meaning of Section
24 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged
25 which artificially inflated the market price of 4D securities.
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