

BuyersStrike!

It Was Dark Over Westphalia

Sunday Funday – What Else Doesn't Cytodyn Want Investors To Learn? (CYDY)

Last Friday after the bell everyone's favorite reverse-merger pink sheet Coronacraper, Cytodyn (CYDY), filed a [new Form S-3](https://www.sec.gov/Archives/edgar/data/1175680/000119312520321698/d42639ds3.htm) (<https://www.sec.gov/Archives/edgar/data/1175680/000119312520321698/d42639ds3.htm>) revealing (as predicted) the supposedly "above market non-dilutive" deals with penny stock financier John M. Fife were actually highly dilutive forward-priced time bombs. Read about those deals [here](https://buyersstrike.wordpress.com/2020/11/11/quick-take-deja-vu-guess-who-is-funding-cytodyn-yet-again-again-cydy/) (<https://buyersstrike.wordpress.com/2020/11/11/quick-take-deja-vu-guess-who-is-funding-cytodyn-yet-again-again-cydy/>) and [here](https://buyersstrike.wordpress.com/2020/07/30/quick-take-who-is-funding-cytodyn-yet-again-cydy/) (<https://buyersstrike.wordpress.com/2020/07/30/quick-take-who-is-funding-cytodyn-yet-again-cydy/>), and background about John here [here](https://www.sec.gov/litigation/litreleases/2007/lr19972.htm) (<https://www.sec.gov/litigation/litreleases/2007/lr19972.htm>) and [here](https://buyersstrike.files.wordpress.com/2020/09/sec-v-fife-1.pdf) (<https://buyersstrike.files.wordpress.com/2020/09/sec-v-fife-1.pdf>).

We will explore that filing in more detail very soon. For the moment, however, we should not lose momentum in uncovering all of the dirty secrets **The NaDDir*** and his klown krew of kreme de la kreme managers don't want investors to ever learn about. You know, the details in the lawsuit **Alpha Venture Capital Partners LP v Cytodyn (CYDY), Pourhassan, et al.** (Delaware Chancery Court 2020-0307-PAF) dated **April 24, 2020**. The one the company doesn't properly disclose to investors, making it highly unlikely any of them would learn of its existence. Notice anything missing in this listing of legal proceedings involving Cytodyn?

Item 1. Legal Proceedings.

As of August 31, 2020, we were not a party to any material pending legal proceeds except as described below and as described in Part I, Item 3 of our 10-K for the fiscal year ended May 31, 2020. From time to time, we may become involved in claims and suits that arise in the ordinary course of our business. Management currently believes that the resolution of any such claims against us, if any, will not have a material adverse effect on our business, financial condition or results of operations.

On June 29, 2020, the Company issued the note holder of our January 2019 note 4,000,000 shares of common stock with a settlement value of \$22.5 million, in settlement of a claim filed by the note holder against the Company alleging that the note holder was owed additional shares upon conversion of the January 2019 Note.

On April 29, 2020, Torreya Capital LLC ("Torreya") filed an arbitration claim against the Company demanding payment of a transaction fee in the amount of \$600,000 plus attorney fees, for the Company's alleged failure to pay a transaction fee to Torreya under the terms of the engagement letter with the Company. The Company denied Torreya's right to a fee pursuant to the terms of the engagement. On September 17, 2020, Torreya amended its claim to add an additional transaction fee claim, increasing its demand to \$1.74 million. The Company similarly denied Torreya's contractual right to any fee. The parties filed dispositive motions in August and September, which the arbitrator denied on October 5, 2020. The Company continues to vigorously defend this action.

On July 26, 2019, our Board of Directors terminated the employment of Dr. Richard G. Pestell, our former Chief Medical Officer, for cause pursuant to the terms of his employment agreement. On August 22, 2019, we received notice that a lawsuit naming the Company and its Chief Executive Officer and the Chairman of the Board was filed by Dr. Pestell in the United States District Court for the District of Delaware, alleging breach of Dr. Pestell's employment agreement, among other claims, and seeking damages in the amount of certain severance entitlements thereunder pertaining to non-cause termination, among other relief. The treatment of those entitlements and of certain previously granted unvested stock options and shares of restricted common stock, which were subject to a repurchase option, may be determined by the outcome of this litigation. On September 17, 2019, Cytodyn and the other defendants moved to dismiss the complaint. On September 27, 2019, Dr. Pestell amended his complaint. On October 10, 2019 the Company moved to dismiss certain wage and hour and defamation claims, and on June 12, 2020, the Court dismissed the wage and hour claims. Shortly thereafter, the Company filed an answer and counterclaims. On July 10, 2020, Dr. Pestell moved again to amend the dismissed wage claims, which the Company again moved to dismiss on July 24, 2020. The motion to dismiss the wage claims remains pending. The Company disputes all of Pestell's claims and intends to vigorously defend the action.

(<https://buyersstrike.files.wordpress.com/2020/12/legalproceedings10koctober.png>)

If you were thinking the April 24th case by the former directors has been omitted, you are correct. Glaringly omitted. Unfortunately for Cytodyn, the **Streisand Effect** is real. As a holiday gift to you, dear readers, the lawsuit, in full **unredacted** glory, is available right [here](https://www.scribd.com/document/488600269/Alpha-Venture-Capital-Partners-LP-v-Cytodyn-CYDY-Pourhassan-et-al) (<https://www.scribd.com/document/488600269/Alpha-Venture-Capital-Partners-LP-v-Cytodyn-CYDY-Pourhassan-et-al>).

OK, did you read it? All of it? No? Go back, click on the link, and read it. OK, Good. With that housekeeping out of the way, let's move on to some Sunday fun.

How many readers recall the curiously short tenure of Cytodyn board member **Michael A. Klump**. Back in the summer of 2018, the company made much of the fact that they managed to get a fairly well known real estate and restaurant investor to take a seat on their board. One might recall the [press release](https://www.cytodyn.com/investors/news-events/press-releases/detail/287/cytodyn-appoints-michael-a-klump-to-board-of-directors) (<https://www.cytodyn.com/investors/news-events/press-releases/detail/287/cytodyn-appoints-michael-a-klump-to-board-of-directors>) from August 13, 2018 which trumpeted his arrival:

CytoDyn Appoints Michael A. Klump to Board of Directors

August 13, 2018 6:00am EDT

[Download as PDF](#)

VANCOUVER, Washington, Aug. 13, 2018 (GLOBE NEWSWIRE) -- CytoDyn Inc. (OTC:QB:CYDY), a biotechnology company developing a novel humanized CCR5 monoclonal antibody for multiple therapeutic indications in the treatment of HIV, cancer, and inflammatory conditions, announces that Michael A. Klump, President and Chief Executive Officer of Argonne Capital Group, has joined the CytoDyn Board of Directors. Mr. Klump is a significant investor in CytoDyn and brings extensive financing and mergers and acquisition expertise to the CytoDyn Board.

https://buyersstrike.files.wordpress.com/2020/12/image_2020-12-20_202305.png

His departure on **January 15, 2020** must have come as quite a surprise to all involved, especially as it was not revealed until the 21st of January, in a throwaway paragraph in a [press release that day](https://www.cytodyn.com/investors/news-events/press-releases/detail/373/cytodyn-appoints-alan-timmins-as-new-independent-director) (<https://www.cytodyn.com/investors/news-events/press-releases/detail/373/cytodyn-appoints-alan-timmins-as-new-independent-director>) about something else entirely. Here is the company's explanation of **Klump's** departure:

Scott Kelly, M.D. added, "I would like to extend my sincerest gratitude to Michael Klump for serving on the board of directors of CytoDyn. Michael provided us with invaluable guidance and vision at a critical time for our company. Michael remains an ardent supporter of the science of CytoDyn and a significant investor. While Michael's increasing business responsibilities drove his decision to step down from our board, I am thrilled that he will remain an advisor to both the CEO and Chairman of the Board."

https://buyersstrike.files.wordpress.com/2020/12/image_2020-12-20_202827.png

The corresponding 8K (https://www.cytodyn.com/investors/sec-filings/all-sec-filings/content/0001193125-20-011073/d876782d8k.htm?TB_iframe=true&height=auto&width=auto&preload=false) filed by CytoDyn with the SEC was more succinct, and mentioned nothing about Klump becoming an advisor:

Resignation of Director

On January 15, 2020, Michael A. Klump resigned as a member of the Board, effective immediately. Mr. Klump's resignation is not related to any known disagreement with the Company on any matters relating to its operations, policies or practices.

<https://buyersstrike.files.wordpress.com/2020/12/klumpresigns.jpg>

Always remember, when a press release and an 8k don't have full concordance on every single point, the press release is a lie. Plain and simple (and in this case, because nothing with **Cytodyn** is simple, not even their deceit, it seems the 8k filing was also a lie....read on.)

Does that **January 15, 2020** date ring any bells? It was just a couple of days before huge slugs of stock were granted to insiders. In particular:

Name	"Performance" Shares	Grant Date Value
Pourhassan	6,000,000	\$6,300,000
Kelly	2,500,000	\$2,625,000
Welch	1,500,000	\$1,575,000
Naydenov	1,500,000	\$1,575,000
Eastwood	150,000	\$157,500
Total	11,650,000	\$12,232,500

<https://buyersstrike.files.wordpress.com/2020/12/januaryoptionsgrants.png>

and just a week before **Cytodyn** issued a hypetacular press release filled with [absurd claims](https://www.cytodyn.com/investors/news-events/press-releases/detail/374/impressive-results-continue-from-cytodyns-clinical) (<https://www.cytodyn.com/investors/news-events/press-releases/detail/374/impressive-results-continue-from-cytodyns-clinical>) about [loserlimab](https://buyersstrike.wordpress.com/2020/08/28/but-teh-science-be-so-gud-part-1-a-brief-history-of-loserlimab-cydy/) (<https://buyersstrike.wordpress.com/2020/08/28/but-teh-science-be-so-gud-part-1-a-brief-history-of-loserlimab-cydy/>) being beneficial in cancer. Hint: It's not (<https://buyersstrike.wordpress.com/2020/08/11/what-is-cytodyn-notcuring-now-a-guest-post-from-b4uconsent-cydy/>).

And what does all this have to do with that lawsuit? Paragraph 120 explains it all:

120. The January 2020 Awards were so egregious that Klump refused to participate. On January 15, 2020, therefore, Klump resigned from the Board, effective immediately. In a January 21, 2020 8-K filing with the SEC, the Company stated that Klump's resignation was "not related to any known disagreement with the Company on any matters relating to its operations, policies or practices." Based on the personal knowledge of Dockery, Caracciolo, and Gould, this disclosure is inaccurate and misleading. Klump resigned from the Board because, as he has expressed to another stockholder, he had simply "had enough" of Pourhassan's repeated misconduct and did not want to risk incurring personal liability.

(<https://buyersstrike.files.wordpress.com/2020/12/p120-shareholdersuit.jpg>)

Do we at BuyersStrike! HQ expect anything less from **The NaDDir*** and his self-dealing **Klown Krew**? Of course not.

*Spelled thusly for a double dose of that sweet sweet stock pimping.

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7 comments

1. Lord of destruction says:

[December 20, 2020 at 10:43 pm](#)

Son of a bitch

[I'm sure Deutsche Telekom will be very interested in your redacted threat and your IP address (79.240.30.189), dummkopf. – Editor]

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