

CytoDyn CEO made \$12M from his stock sale, and his explanation raises more questions

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CytoDyn chief executive Nader Pourhassan

CytoDyn chief executive Nader Pourhassan’s lucrative sale of company stock was confirmed in a regulatory filing Monday night. His explanation for profiting from the coronavirus epidemic — while urging outside investors to buy — remains a shifting and troubling narrative.

As [previously reported](#)⁵, Pourhassan sold more than 4.82 million shares of Cytodyn stock on Thursday. What’s new is the disclosure that Pourhassan acquired the shares by exercising stock options and then selling the resulting CytoDyn stock. His take: \$11.96 million.

The transaction was conducted as a “cashless exercise.” The investment bank Jefferies loaned Pourhassan \$3.8 million to exercise his options; the loan was then repaid immediately when Pourhassan’s stock was sold for \$15.75 million.

Pourhassan profited from his sale at the same time CytoDyn was issuing press releases and posting videos on YouTube that claimed, without proof, that its lead drug, leronlimab, was saving the lives of patients with Covid-19.

After STAT [reported on the stock sale](#)⁵, Pourhassan appeared in another [YouTube video](#)⁸ to explain his decision. The video, produced to look like a media newscast, was created by ProActive Investors, a stock-promotion firm hired by CytoDyn. A Proactive employee named Christine Corrado plays the role of reporter, and asks Pourhassan about the “rumors swirling around” of him selling stock.

Pourhassan responded: “Yes, I exercised my options. The reason we did that, I had told people that our manufacturing is very crucial not to get delayed.”

After explaining that manufacturing takes a lot of time, Pourhassan said: “We had a big payment due and we had a decision to make. Do we sell 10 million shares and let that hit the market hard, or do we just exercise our shares? I exercised my shares and I asked Dr. Scott Kelly to exercise some shares, and he agreed to do that to give the company enough funds to be able to be okay for another 5 to 6 weeks.”

He ended the explanation by saying, “I try to sacrifice for the company anytime I can, and I did that unfortunately everyone in the public domain is looking at it as a whole different thing.”

There is no way to confirm Pourhassan sold his company stock to pay for manufacturing.

Technically, the \$3.8 million that Pourhassan borrowed to exercise his stock options would end up in the company’s coffers, but there is no mechanism that would allow the nearly \$12 million in profit to be transferred from Pourhassan to CytoDyn. No such transactions or loans between Pourhassan and CytoDyn have been disclosed in filings with the Securities and Exchange Commission.

CytoDyn owes Samsung \$30 million this year to pay for leronlimab manufacturing. CytoDyn has not said if the required payments have been made, or if the company is in default.

Kelly is the chairman and chief medical officer of CytoDyn. If Kelly also sold CytoDyn stock, as Pourhassan claimed, there is no record in SEC filings, as would be required.

About the Author



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