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UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
SEATTLE DIVISION

\_\_\_\_\_, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

v.

SILVERBACK THERAPEUTICS, INC.,  
LAURA K. SHAWVER, JONATHAN  
PIAZZA, RUSS HAWKINSON, PETER  
THOMPSON, VICKIE L. CAPPS,  
ROBERT HERSHBERG, SAQIB ISLAM,  
ANDREW POWELL, JONATHAN ROOT,  
THILO SCHROEDER, and SCOTT  
PLATSHON,

Defendants.

Case No.

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly  
2 situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants,  
3 alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and  
4 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted  
5 by and through Plaintiff’s attorneys, which included, among other things, a review of the  
6 Defendants’ public documents, conference calls and announcements made by Defendants,  
7 United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press  
8 releases published by and regarding Silverback Therapeutics, Inc. (“Silverback” or the  
9 “Company”), analysts’ reports and advisories about the Company, and information readily  
10 obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will  
11 exist for the allegations set forth herein after a reasonable opportunity for discovery.  
12

13 **NATURE OF THE ACTION**  
14

15 1. This is a federal securities class action on behalf of a class consisting of all  
16 persons and entities other than Defendants that purchased or otherwise acquired: (a) Silverback  
17 common stock pursuant and/or traceable to the Offering Documents (defined below) issued in  
18 connection with the Company’s initial public offering conducted on or about December 3, 2020  
19 (the “IPO” or “Offering”); and/or (b) Silverback securities between December 3, 2020 and  
20 September 10, 2021, both dates inclusive (the “Class Period”). Plaintiff pursues claims against  
21 the Defendants under the Securities Act of 1933 (the “Securities Act”) and the Securities  
22 Exchange Act of 1934 (the “Exchange Act”).  
23

24 2. Silverback, a clinical-stage biopharmaceutical company, develops tissue-targeted  
25 therapeutics for the treatment of cancer, chronic viral infections, and other serious diseases. The  
26 Company’s lead product candidate is SBT6050, which is in a Phase I/Ib clinical trial, a TLR8  
27

1 agonist linker-payload conjugated to a HER2-directed monoclonal antibody that targets tumors,  
2 such as breast, gastric, and non-small cell lung cancers.

3 3. On November 10, 2020, Silverback filed a registration statement on Form S-1  
4 with the SEC in connection with the IPO, which, after several amendments, was declared  
5 effective by the SEC on December 3, 2020 (the “Registration Statement”).  
6

7 4. On or about December 3, 2020, pursuant to the Registration Statement,  
8 Silverback’s common stock began trading on the Nasdaq Global Market (“NASDAQ”) under the  
9 ticker symbol “SBTX.” On December 4, 2020, Silverback filed a prospectus on Form 424B4  
10 with the SEC in connection with the IPO, which incorporated and formed part of the Registration  
11 Statement (the “Prospectus” and, together with the Registration Statement, the “Offering  
12 Documents”).  
13

14 5. Pursuant to the Offering Documents, Silverback conducted the IPO, issuing 11.5  
15 million shares of common stock priced at \$21.00 per share.

16 6. The Offering Documents were negligently prepared and, as a result, contained  
17 untrue statements of material fact or omitted to state other facts necessary to make the statements  
18 made not misleading and were not prepared in accordance with the rules and regulations  
19 governing their preparation. Additionally, throughout the Class Period, Defendants made  
20 materially false and misleading statements regarding the Company’s business, operations, and  
21 compliance policies. Specifically, the Offering Documents and Defendants made false and/or  
22 misleading statements and/or failed to disclose that: (i) Silverback’s lead product candidate  
23 SBT6050 was less effective than the Company had represented to investors; (ii) accordingly, the  
24 Company had overstated SBT6050’s commercial and/or clinical prospects; and (iii) as a result,  
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1 the Offering Documents and Defendants’ public statements throughout the Class Period were  
2 materially false and/or misleading and failed to state information required to be stated therein.

3 7. On September 13, 2021, Silverback issued a press release “announc[ing] that  
4 interim data from the dose-escalation portion of its Phase 1/1b clinical trial evaluating SBT6050  
5 as a monotherapy and in combination with pembrolizumab in patients with advanced or  
6 metastatic HER2-expressing or amplified solid tumors will be presented at the  
7 upcoming European Society for Medical Oncology (ESMO) 2021 Congress from September 16-  
8 21, 2021” and advising that “[t]he accepted abstract . . . is now available on the ESMO  
9 website.” Per the accepted abstract (the “Abstract”), while there was a manageable safety profile  
10 for the Company’s experimental therapy, SBT6050 yielded only one partial response among 14  
11 HER2-positive solid tumors.  
12

13 8. On this news, Silverback’s stock price fell \$4.54 per share, or 23.35%, to close at  
14 \$14.90 per share on September 13, 2021.  
15

16 9. As of the time this Complaint was filed, the price of Silverback common stock  
17 continues to trade below the \$21.00 per share Offering price, damaging investors.

18 10. As a result of Defendants’ wrongful acts and omissions, and the precipitous  
19 decline in the market value of Silverback’s securities, Plaintiff and other Class members have  
20 suffered significant losses and damages.  
21

## 22 **JURISDICTION AND VENUE**

23 11. The claims asserted herein arise under and pursuant to Sections 11 and 15 of the  
24 Securities Act (15 U.S.C. §§ 77k and 77o), and Sections 10(b) and 20(a) of the Exchange Act  
25 (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R.  
26 § 240.10b-5).  
27



1           17. Defendant Laura K. Shawver (“Shawver”) has served as Silverback’s Chief  
2 Executive Officer and as a Director at all relevant times. Shawver signed or authorized the  
3 signing of the Registration Statement filed with the SEC.

4           18. Defendant Jonathan Piazza (“Piazza”) has served as Silverback’s Chief Financial  
5 Officer at all relevant times. Piazza signed or authorized the signing of the Registration  
6 Statement filed with the SEC.

7           19. Defendants Shawver and Piazza are sometimes referred to herein collectively as  
8 the “Exchange Act Individual Defendants.”

9           20. The Exchange Act Individual Defendants possessed the power and authority to  
10 control the contents of Silverback’s SEC filings, press releases, and other market  
11 communications. The Exchange Act Individual Defendants were provided with copies of  
12 Silverback’s SEC filings and press releases alleged herein to be misleading prior to or shortly  
13 after their issuance and had the ability and opportunity to prevent their issuance or to cause them  
14 to be corrected. Because of their positions with Silverback, and their access to material  
15 information available to them but not to the public, the Exchange Act Individual Defendants  
16 knew that the adverse facts specified herein had not been disclosed to and were being concealed  
17 from the public, and that the positive representations being made were then materially false and  
18 misleading. The Exchange Act Individual Defendants are liable for the false statements and  
19 omissions pleaded herein.  
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22           21. Silverback and the Exchange Act Individual Defendants are sometimes referred  
23 to herein collectively as the “Exchange Act Defendants.”  
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1           22.     Defendant Russ Hawkinson (“Hawkinson”) has served as Senior Vice President  
2 of Finance of Silverback at all relevant times. Hawkinson signed or authorized the signing of  
3 the Registration Statement filed with the SEC.

4           23.     Defendant Peter Thompson (“Thompson”) has served as Silverback’s Chairman  
5 of the Board of Directors at all relevant times. Thompson signed or authorized the signing of  
6 the Registration Statement filed with the SEC.

7           24.     Defendant Vickie L. Capps (“Capps”) served as a Director of the Company at  
8 the time of the IPO. Capps signed or authorized the signing of the Registration Statement filed  
9 with the SEC.

10           25.     Defendant Robert Hershberg (“Hershberg”) served as a Director of the  
11 Company at the time of the IPO. Hershberg signed or authorized the signing of the Registration  
12 Statement filed with the SEC.

13           26.     Defendant Saqib Islam (“Islam”) served as a Director of the Company at the  
14 time of the IPO. Islam signed or authorized the signing of the Registration Statement filed with  
15 the SEC.

16           27.     Defendant Andrew Powell (“Powell”) served as a Director of the Company at  
17 the time of the IPO. Powell signed or authorized the signing of the Registration Statement filed  
18 with the SEC.

19           28.     Defendant Jonathan Root (“Root”) served as a Director of the Company at the  
20 time of the IPO. Root signed or authorized the signing of the Registration Statement filed with  
21 the SEC.



1 Company's lead product candidate is SBT6050, which is in a Phase I/Ib clinical trial, a TLR8  
2 agonist linker-payload conjugated to a HER2-directed monoclonal antibody that targets tumors,  
3 such as breast, gastric, and non-small cell lung cancers.

4 36. On November 10, 2020, Silverback filed a registration statement on Form S-1  
5 with the SEC in connection with the IPO, which, after several amendments, was declared  
6 effective by the SEC on December 3, 2020.

7  
8 37. On or about December 3, 2020, pursuant to the Registration Statement,  
9 Silverback's common stock began trading on the NASDAQ under the ticker symbol "SBTX."  
10 On December 4, 2020, Silverback filed a prospectus on Form 424B4 with the SEC in connection  
11 with the IPO, which incorporated and formed part of the Registration Statement.

12 38. Pursuant to the Offering Documents, Silverback conducted the IPO, issuing 11.5  
13 million shares of common stock priced at \$21.00 per share.

14  
15 **Materially False and Misleading Statements Issued in the Offering Documents**

16 39. In providing an overview of the Company, the Offering Documents, stated, in  
17 relevant part:

18 Our platform enables us to strategically pair proprietary linker-payloads that  
19 modulate key disease-modifying pathways with monoclonal antibodies directed to  
20 specific disease sites. Initially, we are applying our platform to create a new class  
21 of targeted immuno-oncology agents that direct a myeloid cell activator to the  
22 tumor microenvironment (TME) in solid tumors to promote cancer cell killing.  
23 Our lead product candidate, SBT6050, is comprised of a TLR8 agonist linker-  
24 payload conjugated to a HER2-directed monoclonal antibody that targets tumors  
25 such as certain breast, gastric and non-small cell lung cancers. SBT6050 is  
26 currently in a Phase 1/1b clinical trial as monotherapy and in combination with  
27 pembrolizumab, in patients with advanced or metastatic HER2-expressing solid  
28 tumors. In this trial, we have observed changes in pharmacodynamic markers in  
the first dose cohort, and we anticipate providing an update on interim data from  
the Phase 1 dose-escalation cohorts in the second half of 2021.

1 40. Next, in discussing the Company's development pipeline, the Offering  
2 Documents stated, in relevant part:

3 ***SBT6050***

4 Our lead product candidate, SBT6050, is comprised of a TLR8 agonist  
5 linker-payload conjugated to a HER2-directed monoclonal antibody and is  
6 designed to activate myeloid cells in tumors expressing moderate to high levels of  
7 HER2. TLR8 is expressed in myeloid cell types prevalent in human tumors and  
8 TLR8 agonism can activate a broad spectrum of anti-tumor immune mechanisms.  
Therefore, we believe that TLR8 is the optimal target for activating human  
myeloid cell types in the TME.

9 \*\*\*

10 SBT6050 utilizes HER2 to localize and facilitate the delivery of the  
11 TLR8 agonist conjugate into myeloid cells in the TME. Therefore, unlike HER2  
12 targeted therapies that have been approved by the U.S. Food and Drug  
Administration (FDA) such as Herceptin (trastuzumab), SBT6050 does not  
13 require HER2 to be an oncogenic driver to elicit anti-tumor activity. Furthermore,  
14 SBT6050 recognizes the HER2 sub-domain II, the pertuzumab epitope, and does  
not cross-block trastuzumab, allowing for potential combinations with  
15 trastuzumab-based agents, which are standard of care therapies in some HER2-  
expressing cancers.

16 We are currently evaluating the safety and tolerability of SBT6050 in a  
17 Phase 1 dose-escalation trial in patients with advanced or metastatic HER2-  
18 expressing solid tumors. As further described in the section titled "Business—  
19 Lead Product Candidate SBT6050: TLR8 Agonist Conjugated to a HER2  
20 Antibody," the trial consists of four parts: monotherapy dose-escalation and  
21 expansion (Part 1), monotherapy dose expansion in tumor-specific cohorts (Part  
22 2), pembrolizumab combination dose-escalation (Part 3), and a pembrolizumab  
combination dose expansion cohort (Part 4). Changes in pharmacodynamic  
markers have been observed in the first dose-escalation cohort of this trial. We  
anticipate providing an update on interim data from the Phase 1 dose-escalation  
cohorts in the second half of 2021.

23 41. Further, in discussing the Company's strategy, the Offering Documents stated, in  
24 relevant part:

25 Our goal is to transform the treatment of cancer and other serious diseases  
26 with unmet need using our ImmunoTAC platform to deliver a new class of  
27 systemically delivered, tissue-directed, and locally active therapies. The key  
elements of our business strategy are to:

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- ***Advance SBT6050 through clinical development in late-stage disease that may allow us to seek expedited approval using regulatory pathways available from the FDA such as Accelerated Approval, Breakthrough Therapy, Priority Review or Fast Track designation.*** In early clinical trials, we will be examining the anti-tumor activity of SBT6050 in patients that have failed all available therapies associated with clinical benefit, in addition to measuring biomarkers of immune cell activation. This approach may allow us to seek expedited approval from the FDA based on surrogate endpoints (through the Accelerated Approval path) and expedited FDA review through programs such as Breakthrough Therapy, Priority Review, or Fast Track designation. We are evaluating activity broadly across HER2-expressing cancer types, including cancers where no HER2-directed therapies are currently approved, and have identified several tumor types and lines of therapy that potentially present opportunities for utilizing one or more of these accelerated approval pathways.
  - ***Advance SBT6050 subsequently into earlier lines of therapy to maximize patient benefit and commercial success, if approved.*** Our long-term clinical development goal is to position SBT6050 in early-line standard of care regimens in key indications to potentially provide benefit to patients. We seek to accomplish this by evaluating combination therapy approaches with therapeutics approved as standard of care. We believe SBT6050 has the potential to be an ideal combination therapy in early line settings.

16 (Emphasis in original.)

17 42. Finally, in describing the addressable market of SBT6050, the Offering  
18 Documents stated, in relevant part:

19 [. . .] HER2 IHC 2+ and 3+ overexpression and amplification are documented in  
20 at least 11 different tumor types including breast (estimated 83,000), gastric  
21 (estimated 6,400), non-small cell lung (estimated 31,500), colorectal (estimated  
22 9,000), bladder (estimated 7,500), uterine (estimated 11,000), pancreatic  
23 (estimated 4,000), head and neck (estimated 2,000), ovarian (estimated 1,100),  
24 esophageal (estimated 3,000), and biliary (estimated 3,000) cancers, providing the  
25 potential to address a large HER2-expressing tumor agnostic market estimated to  
26 be more than 160,000 newly-diagnosed patients annually in the United States  
27 based in part on estimated prevalence rates. HER2 IHC2+ and 3+ overexpression  
28 in breast cancer, gastric cancer, and NSCLC are 30.0%, 16.4%, and 23.2%,  
respectively. Most HER2 targeted therapies require the tumor cells to be  
dependent on HER2 signaling, often called an oncogenic driver. HER2  
oncogenic-driven tumors are limited to subsets of breast and gastric cancer and  
hence the FDA-approved therapies that require HER2 signaling are limited to

1 these indications as noted in the figure. SBT6050 does not require the tumor cells  
2 to be dependent on HER2 signaling for its anti-tumor activity and instead utilizes  
3 the HER2 protein to deliver the conjugate to adjacent myeloid cells. *We believe*  
4 *that this expands the market opportunity beyond HER2-driven breast and*  
5 *gastric cancer in which targeted HER2 agents have been approved and are*  
6 *established as standard of care. Because of the rationale to combine SBT6050*  
7 *with CPI's, which is supported by our preclinical data [ . . . ]*

8 (Emphasis added.)

9 43. The statements referenced in ¶¶ 39-42 were materially false and misleading  
10 because the Offering Documents were negligently prepared and, as a result, contained untrue  
11 statements of material fact or omitted to state other facts necessary to make the statements made  
12 not misleading and were not prepared in accordance with the rules and regulations governing  
13 their preparation. Specifically, the Offering Documents made false and/or misleading statements  
14 and/or failed to disclose that: (i) Silverback's lead product candidate SBT6050 was less effective  
15 than the Company had represented to investors; (ii) accordingly, the Company had overstated  
16 SBT6050's commercial and/or clinical prospects; and (iii) as a result, the Offering Documents  
17 were materially false and/or misleading and failed to state information required to be stated  
18 therein.

#### 19 **Materially False and Misleading Statements Issued During the Class Period**

20 44. The Class Period begins on December 3, 2020, when Silverback's securities  
21 began publicly trading on the NASDAQ pursuant to the materially false or misleading statements  
22 or omissions in the Offering Documents, as referenced in ¶¶ 39-42, *supra*.

23 45. On March 29, 2021, Silverback filed an Annual Report on Form 10-K with the  
24 SEC, reporting the Company's financial and operating results for the year ended December 31,  
25 2020 (the "2020 10-K"). In providing an overview of the Company, the 2020 10-K stated, in  
26 relevant part:  
27

1 Our platform enables us to strategically pair proprietary linker-payloads that  
2 modulate key disease-modifying pathways with monoclonal antibodies directed to  
3 specific disease sites. Initially, we are applying our platform to create a new class  
4 of targeted immuno-oncology agents that direct a myeloid cell activator to the  
5 tumor microenvironment (TME) in solid tumors to promote cancer cell killing.  
6 Our lead product candidate, SBT6050, is comprised of a TLR8 agonist linker-  
7 payload conjugated to a HER2-directed monoclonal antibody that targets tumors  
8 such as certain breast, gastric and non-small cell lung cancers. SBT6050 is  
9 currently in a Phase 1/1b clinical trial as a monotherapy and in combination with  
10 pembrolizumab, in patients with advanced or metastatic HER2-expressing solid  
11 tumors. In this trial, we have observed changes in pharmacodynamic markers in  
12 the first dose cohort, and we anticipate providing an update on interim data from  
13 the Phase 1 single agent dose-escalation cohorts in the second half of 2021.

14 46. Next, in discussing the Company's development pipeline, the 2020 10-K stated,  
15 in relevant part:

16 ***SBT6050***

17 Our lead product candidate, SBT6050, is comprised of a TLR8 agonist  
18 linker-payload conjugated to a HER2-directed monoclonal antibody and is  
19 designed to activate myeloid cells in tumors expressing moderate to high levels of  
20 HER2. TLR8 is expressed in myeloid cell types prevalent in human tumors and  
21 TLR8 agonism can activate a broad spectrum of anti-tumor immune mechanisms.  
22 Therefore, we believe that TLR8 is the optimal target for activating human  
23 myeloid cell types in the TME.

24 \*\*\*

25 SBT6050 utilizes HER2 to localize and facilitate the delivery of the  
26 TLR8 agonist conjugate into myeloid cells in the TME. Therefore, unlike HER2  
27 targeted therapies that have been approved by the U.S. Food and Drug  
28 Administration (FDA) such as Herceptin (trastuzumab), SBT6050 does not  
require HER2 to be an oncogenic driver to elicit anti-tumor activity. Furthermore,  
SBT6050 recognizes the HER2 sub-domain II, the pertuzumab epitope, and does  
not cross-block trastuzumab, allowing for potential combinations with  
trastuzumab-based agents, which are standard of care therapies in some HER2-  
expressing cancers.

We are currently evaluating the safety and tolerability of SBT6050 in a  
Phase 1 dose-escalation trial in patients with advanced or metastatic HER2-  
expressing solid tumors. Changes in pharmacodynamic markers have been  
observed in the first dose-escalation cohort of this trial. We anticipate providing  
an update on interim data from the Phase 1 single agent dose-escalation cohorts in  
the second half of 2021.

1  
2 47. Further, in discussing the Company's strategy, the 2020 10-K stated, in relevant  
3 part:

4 Our goal is to transform the treatment of cancer and other serious diseases  
5 with unmet need using our ImmunoTAC platform to deliver a new class of  
6 systemically delivered, tissue-directed, and locally active therapies. The key  
elements of our business strategy are to:

- 7
- 8 • ***Advance SBT6050 through clinical development in late-stage disease that may allow us to seek expedited approval using regulatory pathways available from the FDA such as Accelerated Approval, Breakthrough Therapy, Priority Review or Fast Track designation.*** In early clinical  
9 trials, we will be examining the anti-tumor activity of SBT6050 in patients  
10 that have failed all available therapies associated with clinical benefit, in  
11 addition to measuring biomarkers of immune cell activation. This  
12 approach may allow us to seek expedited approval from the FDA based on  
13 surrogate endpoints (through the Accelerated Approval path) and  
14 expedited FDA review through programs such as Breakthrough Therapy,  
15 Priority Review, or Fast Track designation. We are evaluating activity  
16 broadly across HER2-expressing cancer types, including cancers where no  
17 HER2-directed therapies are currently approved, and have identified  
18 several tumor types and lines of therapy that potentially present  
19 opportunities for utilizing one or more of these accelerated approval  
20 pathways.
  - 21 • ***Advance SBT6050 subsequently into earlier lines of therapy to maximize patient benefit and commercial success, if approved.*** Our long-term  
22 clinical development goal is to position SBT6050 in early-line standard of  
23 care regimens in key indications to potentially provide benefit to patients.  
24 We seek to accomplish this by evaluating combination therapy approaches  
25 with therapeutics approved as standard of care. We believe SBT6050 has  
26 the potential to be an ideal combination therapy in early line settings.

21 (Emphasis in original.)

22 48. Finally, in discussing SBT6050's addressable market, the 2020 10-K stated, in  
23 relevant part:

24  
25 [. . .] HER2 IHC 2+ and 3+ overexpression and amplification are documented in  
26 at least 11 different tumor types including breast (estimated 83,000), gastric  
27 (estimated 6,400), non-small cell lung (estimated 31,500), colorectal (estimated  
28 9,000), bladder (estimated 7,500), uterine (estimated 11,000), pancreatic  
(estimated 4,000), head and neck (estimated 2,000), ovarian (estimated 1,100),

1 esophageal (estimated 3,000), and biliary (estimated 3,000) cancers, providing the  
2 potential to address a large HER2-expressing tumor agnostic market estimated to  
3 be more than 160,000 newly-diagnosed patients annually in the United States  
4 based in part on estimated prevalence rates. HER2 IHC2+ and 3+ overexpression  
5 in breast cancer, gastric cancer, and NSCLC are 30.0%, 16.4%, and 23.2%,  
6 respectively. Most HER2 targeted therapies require the tumor cells to be  
7 dependent on HER2 signaling, often called an oncogenic driver. HER2  
8 oncogenic-driven tumors are limited to subsets of breast and gastric cancer and  
9 hence the FDA-approved therapies that require HER2 signaling are limited to  
10 these indications as noted in the figure. SBT6050 does not require the tumor cells  
11 to be dependent on HER2 signaling for its anti-tumor activity and instead utilizes  
12 the HER2 protein to deliver the conjugate to adjacent myeloid cells. *We believe  
13 that this expands the market opportunity beyond HER2-driven breast and  
14 gastric cancer in which targeted HER2 agents have been approved and are  
15 established as standard of care. Because of the rationale to combine SBT6050  
16 with CPI's, which is supported by our preclinical data [ . . . ]*

17 (Emphasis added.)

18 49. Appended to the 2020 10-K as an exhibit was a signed certification pursuant to  
19 the Sarbanes-Oxley Act of 2002 by Defendants Shawver and Piazza, attesting that, “[t]he  
20 information contained in the [2020 10-K] fairly presents, in all material respects, the financial  
21 condition and results of operations of the Company.”

22 50. Corresponding with the 2020 10-K, Silverback issued a press release announcing  
23 the Company’s Q4 and full year 2020 financial results and recent corporate updates. The press  
24 release stated, in relevant part:

25 “2020 was an extraordinary year for Silverback, with the initiation of our first  
26 clinical study for SBT6050, in which pharmacological activity was observed in  
27 the first dose cohort, the advancement of each of our preclinical programs,  
28 expansion of our strong team, and the successful closing of our IPO in December,”  
said Laura Shawver, Ph.D., chief executive officer of Silverback. “We are well-  
positioned to execute on our mission to develop a new class of tissue-localized  
therapies that are designed to modulate fundamental biological pathways in  
cancer and beyond.”

29 **2020 Corporate Highlights and 2021 Anticipated Milestones**

- 30 • **SBT6050 (HER2-TLR8 ImmunoTAC) Phase 1/1b clinical study  
31 initiated, with pharmacological activity demonstrated in the first dose**

1 cohort. SBT6050 is being studied as a monotherapy and in combination  
2 with pembrolizumab, in patients with advanced or metastatic HER2-  
3 expressing solid tumors. Changes in pharmacodynamic markers consistent  
4 with the potential mechanism of action have been observed in patients  
5 treated in the first monotherapy dose cohort. Enrollment is ongoing in Part  
6 1 of the study (SBT6050 monotherapy dose escalation) and treatment has  
7 been initiated in Part 3 of the study (SBT6050 plus pembrolizumab dose-  
8 escalation). Silverback is on track to deliver interim clinical data from Part  
9 1 of the study in the second half of 2021.

10 51. On May 13, 2021, Silverback issued a press release announcing the Company's  
11 Q1 2021 financial results. The press release stated, in relevant part:

12 "In our first quarter as a public company, our team continues to execute on  
13 Silverback's mission to bring tissue-targeted therapies to patients in need," said  
14 Laura Shawver, Ph.D., chief executive officer of Silverback. "We are on track to  
15 report interim clinical data for SBT6050 in the second half of this year, and we  
16 are equally excited about the progress and preclinical data emerging from  
17 SBT6290 and SBT8230, highlighting the broad applicability of our ImmunoTAC  
18 platform."

#### 19 **Recent Highlights**

- 20 • **SBT6050 (HER2-TLR8 ImmunoTAC) continues to advance through  
21 monotherapy and pembrolizumab combination dose escalation arms  
22 of the Phase 1/1b clinical study.** Silverback is on track to deliver interim  
23 clinical data from the monotherapy dose escalation arm of the study in the  
24 second half of 2021.

25 52. On July 7, 2021, Silverback issued a press release entitled, "Silverback  
26 Therapeutics Announces Clinical Supply Agreement with Regeneron to Evaluate SBT6050 in  
27 Combination with Libtayo® (cemiplimab), initially in HER2-expressing Non-Small Cell Lung  
28 and Gastric Cancers." The press release stated, in relevant part:

29 Silverback [. . .] today announced a clinical supply agreement with Regeneron for  
30 Libtayo® (cemiplimab). The supply agreement supports the evaluation of  
31 Libtayo®, a PD-1 inhibitor, in combination with SBT6050, the first of a new class  
32 of targeted immuno-oncology agents designed to direct a TLR8 agonist linker-  
33 payload to activate myeloid cells in tumors expressing moderate to high levels of  
34 HER2.

1 “SBT6050’s unique ability to activate both innate and adaptive immune responses  
2 has the potential to enhance and expand the effectiveness of a PD-1 inhibitor in  
3 HER2-expressing solid tumors,” said Naomi Hunder, M.D., Chief Medical  
4 Officer of Silverback. “We are eager to complete the ongoing dose escalation of  
SBT6050 combined with a PD-1 inhibitor, and look forward to working with  
Regeneron as we begin tumor-specific expansion cohorts.”

5 In the first quarter of 2021, Silverback initiated treatment in Part 3 of the Phase  
6 1/1b study to evaluate the activity of SBT6050 in combination with a PD-1  
7 inhibitor in dose escalation. Under the terms of the agreement, Silverback will  
8 expand the ongoing Phase 1/1b trial to evaluate the combination of SBT6050 and  
Libtayo® in tumor-specific dose expansion cohorts, initially in HER2-expressing  
non small cell lung cancer [ . . . ] and gastric cancer.

9 53. On August 12, 2021, Silverback issued a press release announcing the  
10 Company’s Q2 2021 financial results and providing a business update. The press release stated,  
11 in relevant part:

12 “The second quarter was notable for the significant progress we made across our  
13 entire pipeline of tissue-targeted therapies, with SBT6050, our HER2-TLR8  
14 ImmunoTAC leading the way with continued robust enrollment in our Phase 1/1b  
15 study,” said Laura Shawver, Ph.D., chief executive officer of Silverback. “We are  
16 deeply appreciative of the patients, their families, and our clinical investigators  
17 who continue to contribute to the SBT6050-101 clinical trial, and we look  
forward to providing the first update of the clinical data at the ESMO conference  
in September.”

18 54. The statements referenced in ¶¶ 44-53 were materially false and misleading  
19 because the Exchange Act Defendants made false and/or misleading statements, as well as failed  
20 to disclose material adverse facts about the Company’s business, operations, and compliance  
21 policies. Specifically, the Exchange Act Defendants made false and/or misleading statements  
22 and/or failed to disclose that: (i) Silverback’s lead product candidate SBT6050 was less effective  
23 than the Company had represented to investors; (ii) accordingly, the Company had overstated  
24 SBT6050’s commercial and/or clinical prospects; and (iii) as a result, Defendants’ public  
25 statements throughout the Class Period were materially false and/or misleading and failed to  
26 state information required to be stated therein.  
27

## The Truth Emerges

55. On September 13, 2021, Silverback issued a press release “announc[ing] that interim data from the dose-escalation portion of its Phase 1/1b clinical trial evaluating SBT6050 as a monotherapy and in combination with pembrolizumab in patients with advanced or metastatic HER2-expressing or amplified solid tumors will be presented at the upcoming European Society for Medical Oncology (ESMO) 2021 Congress from September 16-21, 2021” and advising that “[t]he accepted abstract . . . is now available on the ESMO website.” Per the Abstract, while there was a manageable safety profile for the Company’s experimental therapy, SBT6050 yielded only one partial response among 14 HER2-positive solid tumors. Specifically, the Abstract stated, in relevant part:

### **Results**

As of 4 April 2021, 18 patients across 10 tumor types were treated at 4 dose levels (Part 1, n=14; Part 3, n=4). Dose levels of SBT6050 ranging from 0.15 mg/kg to 1.2 mg/kg were pharmacologically active as demonstrated by the induction of blood-based biomarkers associated with myeloid cell and NK or T cell activation. SBT6050 exposures up to 0.6 mg/kg increase greater than dose-proportionally, and linear thereafter, reflecting evidence of target saturation at 0.6 mg/kg. Furthermore, increases in IFN $\gamma$ , a marker for NK and/or T cell activation, along with additional on-target biomarkers, plateaued at 0.6 mg/kg. The most frequent (>25%) related TEAEs were chills, diarrhea, fatigue, hypotension, injection site reaction, nausea, pyrexia, and vomiting. Dose levels >0.6 mg/kg were evaluated to assess the upper limits of the dose range; Grade 3 DLTs that resolved with supportive care were observed in Part 1 at 1.2 mg/kg Q2 weeks. *In response-evaluable patients (N=14), best overall response was PR (n=1), SD (n=3), and PD (n=10).*

### **Conclusions**

Based on preliminary safety data, SBT6050 given alone or in combination with pembrolizumab has a manageable safety profile. Related TEAEs are consistent with immune activation. A single-agent dose of 0.6 mg/kg administered Q2 weeks had a tolerable safety profile, drug exposure that reflects evidence of target saturation, and pharmacodynamics indicative of myeloid, NK and T cell activation.

1 (Emphasis added).

2 56. On this news, Silverback’s stock price fell \$4.54 per share, or 23.35%, to close at  
3 \$14.90 per share on September 13, 2021.

4 57. As of the time this Complaint was filed, the price of Silverback common stock  
5 continues to trade below the \$21.00 per share Offering price, damaging investors.  
6

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

10 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

11 59. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
12 Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons and entities other than  
13 Defendants that purchased or otherwise acquired: (a) Silverback common stock in the IPO or  
14 purchased Silverback common stock thereafter in the stock market pursuant and/or traceable to  
15 the Company’s Offering Documents issued in connection with the IPO; or (b) Silverback  
16 securities during the Class Period; and were damaged thereby (the “Class”). Excluded from the  
17 Class are Defendants, the officers and directors of the Company, at all relevant times, members  
18 of their immediate families and their legal representatives, heirs, successors, or assigns, and any  
19 entity in which Defendants have or had a controlling interest.  
20

21 60. The members of the Class are so numerous that joinder of all members is  
22 impracticable. Throughout the Class Period, Silverback securities were actively traded on the  
23 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and  
24 can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds  
25 or thousands of members in the proposed Class. Record owners and other members of the Class  
26  
27

1 may be identified from records maintained by Silverback or its transfer agent and may be  
2 notified of the pendency of this action by mail, using the form of notice similar to that  
3 customarily used in securities class actions.

4  
5 61. Plaintiff's claims are typical of the claims of the members of the Class as all  
6 members of the Class are similarly affected by Defendants' wrongful conduct in violation of  
7 federal law that is complained of herein.

8 62. Plaintiff will fairly and adequately protect the interests of the members of the  
9 Class and has retained counsel competent and experienced in class and securities litigation.  
10 Plaintiff has no interests antagonistic to or in conflict with those of the Class.

11 63. Common questions of law and fact exist as to all members of the Class and  
12 predominate over any questions solely affecting individual members of the Class. Among the  
13 questions of law and fact common to the Class are:

- 14  
15 • whether the federal securities laws were violated by Defendants' acts as alleged  
16 herein;
- 17 • whether statements made by Defendants to the investing public in the Offering  
18 Documents for the IPO, or during the Class Period, misrepresented material  
19 facts about the business, operations and management of Silverback;
- 20 • whether the Securities Act Individual Defendants negligently prepared the  
21 Offering Documents for the IPO and, as a result, the Offering Documents  
22 contained untrue statements of material fact or omitted to state other facts  
23 necessary to make the statements made not misleading, and were not prepared  
24 in accordance with the rules and regulations governing their preparation;
- 25 • whether the Exchange Act Individual Defendants caused Silverback to issue  
26 false and misleading financial statements during the Class Period;
- 27 • whether certain Defendants acted knowingly or recklessly in issuing false and  
28 misleading financial statements;
- whether the prices of Silverback securities during the Class Period were  
artificially inflated because of the Defendants' conduct complained of herein;  
and

- 1
- 2 • whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

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

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

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

19 66. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a  
20 presumption of reliance upon the integrity of the market.  
21

22 67. Alternatively, Plaintiff and the members of the Class are entitled to the  
23 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State*  
24

1 of *Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material  
2 information in their Class Period statements in violation of a duty to disclose such information,  
3 as detailed above.

#### 4 COUNT I

##### 5 **(Violations of Section 11 of the Securities Act Against the Securities Act Defendants)**

6  
7 68. Plaintiff repeats and incorporates each and every allegation contained above as if  
8 fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

9  
10 69. This Count is brought pursuant to Section 11 of the Securities Act, 15 U.S.C. §  
11 77k, on behalf of the Class, against the Securities Act Defendants.

12 70. The Offering Documents for the IPO were inaccurate and misleading, contained  
13 untrue statements of material facts, omitted to state other facts necessary to make the statements  
14 made not misleading, and omitted to state material facts required to be stated therein.

15 71. Silverback is the registrant for the IPO. The Securities Act Defendants named  
16 herein were responsible for the contents and dissemination of the Offering Documents.

17  
18 72. As issuer of the shares, Silverback is strictly liable to Plaintiff and the Class for  
19 the misstatements and omissions in the Offering Documents.

20 73. None of the Securities Act Defendants named herein made a reasonable  
21 investigation or possessed reasonable grounds for the belief that the statements contained in the  
22 Offering Documents were true and without omissions of any material facts and were not  
23 misleading.

24 74. By reasons of the conduct herein alleged, each Securities Act Defendant violated,  
25 and/or controlled a person who violated Section 11 of the Securities Act.  
26  
27  
28



1 **COUNT III**

2 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder**  
3 **Against the Exchange Act Defendants)**

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

6 83. This Count is asserted against the Exchange Act Defendants and is based upon  
7 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder  
8 by the SEC.

9 84. During the Class Period, the Exchange Act Defendants engaged in a plan, scheme,  
10 conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in  
11 acts, transactions, practices and courses of business which operated as a fraud and deceit upon  
12 Plaintiff and the other members of the Class; made various untrue statements of material facts  
13 and omitted to state material facts necessary in order to make the statements made, in light of the  
14 circumstances under which they were made, not misleading; and employed devices, schemes and  
15 artifices to defraud in connection with the purchase and sale of securities. Such scheme was  
16 intended to, and, throughout the Class Period, did: (i) deceive the investing public, including  
17 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the  
18 market price of Silverback securities; and (iii) cause Plaintiff and other members of the Class to  
19 purchase or otherwise acquire Silverback securities and options at artificially inflated prices. In  
20 furtherance of this unlawful scheme, plan and course of conduct, the Exchange Act Defendants,  
21 and each of them, took the actions set forth herein.

22 85. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the  
23 Exchange Act Defendants participated directly or indirectly in the preparation and/or issuance of  
24 the quarterly and annual reports, SEC filings, press releases and other statements and documents  
25

1 described above, including statements made to securities analysts and the media that were  
2 designed to influence the market for Silverback securities. Such reports, filings, releases and  
3 statements were materially false and misleading in that they failed to disclose material adverse  
4 information and misrepresented the truth about Silverback's finances and business prospects.

5  
6 86. By virtue of their positions at Silverback, the Exchange Act Defendants had  
7 actual knowledge of the materially false and misleading statements and material omissions  
8 alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or,  
9 in the alternative, the Exchange Act Defendants acted with reckless disregard for the truth in that  
10 they failed or refused to ascertain and disclose such facts as would reveal the materially false and  
11 misleading nature of the statements made, although such facts were readily available to the  
12 Exchange Act Defendants. Said acts and omissions of the Exchange Act Defendants were  
13 committed willfully or with reckless disregard for the truth. In addition, each of the Exchange  
14 Act Defendants knew or recklessly disregarded that material facts were being misrepresented or  
15 omitted as described above.  
16

17 87. Information showing that the Exchange Act Defendants acted knowingly or with  
18 reckless disregard for the truth is peculiarly within the Exchange Act Defendants' knowledge  
19 and control. As the senior managers and/or directors of Silverback, the Exchange Act Individual  
20 Defendants had knowledge of the details of Silverback's internal affairs.  
21

22 88. The Exchange Act Individual Defendants are liable both directly and indirectly  
23 for the wrongs complained of herein. Because of their positions of control and authority, the  
24 Exchange Act Individual Defendants were able to and did, directly or indirectly, control the  
25 content of the statements of Silverback. As officers and/or directors of a publicly-held company,  
26 the Exchange Act Individual Defendants had a duty to disseminate timely, accurate, and truthful  
27

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

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



1 reports, press releases and public filings which Silverback disseminated in the marketplace  
2 during the Class Period concerning Silverback's results of operations. Throughout the Class  
3 Period, the Exchange Act Individual Defendants exercised their power and authority to cause  
4 Silverback to engage in the wrongful acts complained of herein. The Exchange Act Individual  
5 Defendants therefore, were "controlling persons" of Silverback within the meaning of Section  
6 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged  
7 which artificially inflated the market price of Silverback securities.  
8

9 96. Each of the Exchange Act Individual Defendants, therefore, acted as a controlling  
10 person of Silverback. By reason of their senior management positions and/or being directors of  
11 Silverback, each of the Exchange Act Individual Defendants had the power to direct the actions  
12 of, and exercised the same to cause, Silverback to engage in the unlawful acts and conduct  
13 complained of herein. Each of the Exchange Act Individual Defendants exercised control over  
14 the general operations of Silverback and possessed the power to control the specific activities  
15 which comprise the primary violations about which Plaintiff and the other members of the Class  
16 complain.  
17

18 97. By reason of the above conduct, the Exchange Act Individual Defendants are  
19 liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Silverback.  
20

### 21 **PRAYER FOR RELIEF**

22 **WHEREFORE**, Plaintiff demands judgment against Defendants as follows:

23 A. Determining that the instant action may be maintained as a class action under  
24 Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class  
25 representative;  
26  
27  
28

1 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by  
2 reason of the acts and transactions alleged herein;

3 C. Awarding Plaintiff and the other members of the Class prejudgment and post-  
4 judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and  
5

6 D. Awarding such other and further relief as this Court may deem just and proper.

7 **DEMAND FOR TRIAL BY JURY**

8 Plaintiff hereby demands a trial by jury.  
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