

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

_____, Individually and On Behalf
of All Others Similarly Situated,

Case No.

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

JURY TRIAL DEMANDED

ENOCHIAN BIOSCIENCES, INC.
f/k/a DANDRIT BIOTECH USA,
INC., ERIC LEIRE, MARK DYBUL,
ROBERT WOLFE and LUISA
PUCHE.

Defendants.

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

12 **NATURE OF THE ACTION AND OVERVIEW**

13 1. This is a class action on behalf of persons and entities that purchased or
14 otherwise acquired Enochian securities between January 17, 2018 and June 27, 2022,
15 inclusive (the “Class Period”), including common stock issued by Enochian in a
16 private placement offering on or about February 16, 2018. Plaintiffs pursue claims
17 against the Defendants under the Securities Exchange Act of 1934 (the “Exchange
18 Act”).

19 2. Enochian is a pre-clinical stage biotechnology company that is
20 developing cures and treatment for HIV, HBV, influenza, coronavirus, and cancer.

21 3. On May 25, 2022, the U.S. Department of Justice announced that Serhat
22 Gumrukcu, the co-founder and inventor of Enochian, had been arrested in a murder-
23 for-hire conspiracy.

24 4. On this news, the Company’s shares fell \$2.17, or 37%, to close at \$3.70
25 per share on May 25, 2022, on unusually heavy trading volume.

26 5. On June 1, 2022, Hindenburg Research published a research report
27 alleging, among other things, that the charge related to the murder of Gregory Davis,
28 just days before Gumrukcu was to defend himself against felony fraud allegations

1 related to a deal with Davis. According to the report, "[f]ederal prosecutors argued
2 that the prospective merger deal that eventually resulted in Enochian going public
3 served as a key motive for the murder." The report also alleged that Gumrukcu is not
4 a licensed doctor in any jurisdiction in the world, that he had pled guilty to felony
5 charges in the midst of the Company's merger, and that he "had siphoned tens of
6 millions of dollars in shareholder cash from Enochian to his privately-owned entities."
7 Moreover, Hindenburg alleged that Enochian has been aware of the foregoing
8 allegations.

9 6. On this news, the Company's shares fell \$1.495, or 28.4%, to close at
10 \$3.77 on June 1, 2022, on unusually heavy trading volume.

11 7. On June 27, 2022, *The Wall Street Journal* published an article about
12 Gumrukcu's participation in the murder-for-hire conspiracy, claiming that Gumrukcu
13 owed Davis over \$900,000 after Gumrukcu coaxed Davis into entering into a
14 fraudulent oil deal with him. The article further alleged that FBI agents were
15 suspicious that Gumrukcu "had fabricated his resume and held neither a medical
16 degree nor a doctoral degree."

17 8. On this news, the Company's shares fell \$0.73, or 21.9%, to close at
18 \$2.60 per share on June 27, 2022, on unusually heavy trading volume.

19 9. Throughout the Class Period, Defendants made materially false and/or
20 misleading, and failed to disclose material adverse facts about the Company's
21 business, operations, and prospects. Specifically, Defendants failed to disclose to
22 investors: (1) that co-founder and inventor Gumrukcu was engaged in a variety of
23 frauds; (2) that Gumrukcu was not a licensed doctor anywhere in the world; (4) that,
24 as a result of the foregoing, Gumrukcu's purported contributions to the Company
25 lacked a reasonable basis; (5) that, as a result of the foregoing, the Company had
26 overstated its commercial prospects; (6) that Gumrukcu had improperly diverted
27 approximately \$20 million from Enochian to entities he owned; and (7) that, as a result
28 of the foregoing, Defendants' positive statements about the Company's business,

operations, and prospects were materially misleading and/or lacked a reasonable basis.

3 10. As a result of Defendants' wrongful acts and omissions, and the
4 precipitous decline in the market value of the Company's securities, Plaintiffs and
5 other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

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

12. 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).

12 13. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1331(b)
13 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in
14 furtherance of the alleged fraud or the effects of the fraud have occurred in this
15 Judicial District. Many of the acts charged herein, including the dissemination of
16 materially false and/or misleading information, occurred in substantial part in this
17 Judicial District. In addition, the Company's principal executive offices are located in
18 this Judicial District.

14. 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

24 15. Plaintiffs, as set forth in the accompanying certifications, incorporated
25 by reference herein, purchased Enochian securities during the Class Period, and
26 suffered damages as a result of the federal securities law violations and false and/or
27 misleading statements and/or material omissions alleged herein.

1 16. Defendant Enochian is incorporated under the laws of the Delaware with
2 its principal executive offices located in North Hollywood, California. Since
3 December 10, 2018, Enochian's shares have traded on the NASDAQ under the
4 symbol "ENOB." Prior to that, they traded over-the-counter Bulletin Board
5 ("OTCBB").

6 17. Defendant Eric Leire ("Leire") was the Chief Executive Officer ("CEO")
7 of the Company from February 2011 to January 7, 2019.

8 18. Defendant Mark Dybul ("Dybul") has served as the Principal Executive
9 Officer of the Company since January 7, 2019.

10 19. Defendant Robert Wolfe ("Wolfe") was the Company's Chief Financial
11 Officer ("CFO") of the Company from February 2011 to January 7, 2019.

12 20. Defendant Luisa Puche ("Puche") has served as the Company's CFO
13 since January 7, 2019.

14 21. Defendants Leire, Dybul, Wolfe, and Puche (together, the "Individual
15 Defendants"), because of their positions with the Company, possessed the power and
16 authority to control the contents of the Company's reports to the SEC, press releases
17 and presentations to securities analysts, money and portfolio managers and
18 institutional investors, i.e., the market. The Individual Defendants were provided with
19 copies of the Company's reports and press releases alleged herein to be misleading
20 prior to, or shortly after, their issuance and had the ability and opportunity to prevent
21 their issuance or cause them to be corrected. Because of their positions and access to
22 material non-public information available to them, the Individual Defendants knew
23 that the adverse facts specified herein had not been disclosed to, and were being
24 concealed from, the public, and that the positive representations which were being
25 made were then materially false and/or misleading. The Individual Defendants are
26 liable for the false statements pleaded herein.

27

28

SUBSTANTIVE ALLEGATIONS

Background

22. Enochian is a pre-clinical stage biotechnology company that is developing cures and treatment for HIV, HBV, influenza, coronavirus, and cancer.

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

23. The Class Period begins on January 17, 2018. On that day, DanDrit announced it had entered an agreement to acquire Enochian Biopharma Inc. (“Legacy Enochian”). The Company’s press release stated, in relevant part:¹

(“DanDrit”) is pleased to announce that it has signed an agreement under which it has agreed to acquire Enochian Biopharma Inc. (“Enochian”) and its new technology platforms. Enochian is developing an innovative proprietary technology, which includes combinatory gene therapy methods in the field of HIV/AIDS. ***DanDrit believes that through the acquisition, Enochian's technology will enhance DanDrit's research and development efforts in cellular therapy and add to its pipeline,*** which also includes cellular immune-oncology products for the prevention of relapse of metastatic colon cancer after resection and chemotherapy.

As consideration for the acquisition, the stockholders of Enochian shall be entitled to receive (i) 50% of the number of shares of DanDrit's common stock issued and outstanding as of the effective time of the acquisition, after giving effect to the acquisition, (ii) pro rata shares of DanDrit's common stock upon the exercise or conversion of any of DanDrit's stock options and warrants currently outstanding and (iii) expenses related to the acquisition and the transactions contemplated thereby.

DanDrit plans to change its name to Enochian ImmunoScience, Inc. and to relocate to its new headquarters in Los Angeles, California.

The acquisition is subject to customary closing conditions, and in addition (i) Enochian will have executed a perpetual, sole and exclusive license with Weird Science LLC to use all of Weird Science LLC's intellectual property rights in its proprietary technology for the prevention, treatment and amelioration of HIV in humans, including an assignment of the rights to experimental studies with syngeneic and humanized mice models, ***and DanDrit will be satisfied with all due diligence related to such intellectual property***, (ii) DanDrit, Weird Science LLC and a certain stockholder of DanDrit will have entered into an Investor Rights Agreement and a Standstill & Lock-Up Agreement, (iii) DanDrit will have not less than \$19,000,000 in cash on hand, less up to a maximum of \$1,000,000 of expenses related to the acquisition and

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

(iv) DanDrit will have executed employment and/or consulting agreements with certain persons affiliated with Enochian. DanDrit expects the acquisition to be finalized on or before February 15th.

"We are excited about the potential of the Enochian technology platforms and the application of these technologies to complement ongoing research and development efforts," said Eric Leire, MD, DanDrit's President and Chief Executive Officer. "This acquisition demonstrates our deep commitment to continuing to invest in future innovation in the field of cellular therapy and we believe Enochian's technology will enhance our efforts to improve care for people with HIV and advanced cancers."

24. After the market closed on February 19, 2018, DanDrit issued a press release announcing the completion of its acquisition of Enochian Biopharma Inc. and its intent to change its name to Enochian BioSciences, Inc., during which he stated, “As a result of the Acquisition, DanDrit owns a perpetual, fully up, royalty free, sublicensable, exclusive, license to new technology platforms for the treatment of HIV, including combinatory gene therapy models[.]”

25. On May 15, 2018, Enochian filed a Form 10-Q for the quarterly period ended March 31, 2018, stating that Defendants Leire and Wolfe determined the Company's disclosure controls and procedures were not effective due to deficiencies related to inadequate resources to address complex accounting issues. It also contained certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") signed by Defendants Leire and Wolfe attesting to the accuracy of financial statements and the disclosure of all fraud. The report also stated, in relevant part:

On February 16, 2018, the Registrant entered into a consulting agreement with Weird Science under which Weird Science will provide ongoing medical services related to the development of the Company's products for the treatment of HIV and cancer.

26. On July 2, 2018, Defendant Leire wrote a letter to the shareholders, stating in relevant part:

Before completing the acquisition of Enochian Biopharma, *we engaged in due diligence* to assess the value of its proprietary technology related to the treatment of HIV. This included our internal evaluation of the viability of the technology, an evaluation by intellectual property counsel on the intellectual property rights associated with such technology, and an independent valuation on the technology.

On October 1, 2018, Enochian filed its Form 10-K for the fiscal year ended June 30, 2018, which contained SOX certifications by Defendants Leire and Wolfe attesting to the accuracy of financial statements and the disclosure of all fraud. The report also stated in relevant part: On July 9, 2018, the Company entered into a consulting agreement with G-Tech Bio, LLC, a California limited liability company (“G-Tech”) to assist the Company with the development of the gene therapy and autologous and allogenic cell therapy modalities for the prevention, treatment, amelioration of HIV in humans, and with the development of a genetically enhanced Allogenic Dendritic Cell for use as a wide spectrum platform for various diseases (including but not limited to cancers and infectious diseases). G-Tech is entitled to consulting fees for 20 months, with a monthly consulting fee of not greater than \$130,000 per month. **G-Tech is controlled by certain members of Weird Science.**

27. On February 11, 2019, Enochian delivered a presentation during its Investor Day in which it delivered the following slide listing Gumrukcu as its “Inventor” part of its “Experienced Leadership” and having “[s]trong expertise in the field of gene therapy, HIV and immuno-oncology focusing on developing transformative, multi-indication, platform drugs that will change the standard of care of HIV/AIDS and cancer.”

Our Team Experienced Leadership

Management Team

Mark Dybul, MD, Executive Vice Chairman
Luisa Puche, Chief Financial Officer
Serhat Gümrükçü, MD, PhD, Inventor
Wenshi Wang, PhD, SVP Operations
Tung Nguyen, Sr. Molecular Biologist

Christine Mikail, External Strategic Advisor,
Chair IP Committee

Scientific Advisory Board

Dr. Mark Dybul (Chairman)
Dr. Steven Deeks Dr. W. David Hardy
Dr Hans-Peter Kiem

Board of Directors

Rene Sindlev, Chairman
Dr. Mark Dybul, MD, Executive Vice Chairman
Evelyn D'An, Director
James Sapirstein, R.Ph., MBA, Director
Luc Debruyne, Director
Carl Sandler, Member
Henrik Grønfeldt - Sørensen, Member

Strong expertise in the field of gene therapy, HIV and immuno-oncology focusing on developing transformative, multi-indication, platform drugs that will change the standard of care of HIV/AIDS and cancer

Enochian
Biosciences

1 28. On September 30, 2019, Enochian filed a Form 10-K for the fiscal year
2 ended June 30, 2019, which contained SOX certifications by Defendants Dybul and
3 Puche attesting to the accuracy of financial statements and the disclosure of all fraud.

4 29. On November 25, 2019, Enochian issued a press release announcing an
5 agreement “to acquire an exclusive, license for a treatment under development aimed
6 to treat the Hepatitis B Virus (HBV) infections from G-Tech Bio, LLC,” stating in
7 relevant part:

8 HV-01 was the original impetus for the conception of Enochian
9 Biosciences' HIV focus. It is based on an insight by Dr. Gümrükçü,
10 drawn from a non-HIV field, that by adding an additional genetic
11 modification to cells beyond those that protect cells from HIV infection
12 could give a competitive advantage to the survival of the cells in HIV
patients, leading to enhanced engraftment of the cells and increase the
potential for a cure. This approach could also significantly reduce the
therapies needed, potentially allowing the procedure to be done on an
outpatient basis.

* * *

14 Based on the innovative mechanism of action designed to be developed
15 into a potential cure for HBV, Dr. Gümrükçü's two novel approaches
aimed at an alternative path to cure and/or treat HIV are in the discovery
phase.

* * *

The Inventor

18 After receiving his preclinical training at the Dokuz Eylul University in
19 2004, Dr. Serhat Gümrükçü continued his training in various institutions
20 and started working as a physician licensed by the Ministry of Health of
21 Turkey in 2008. Later, after working under Dr. Suat Arusan in Turkey,
22 Dr. Gümrükçü decided to explore further studies in the field of cell and
23 gene therapies. He is currently the director of Seraph Research Institute,
24 a non-profit organization where he runs a research lab at the cutting edge
25 of cell, gene and immunotherapy research. On agreeing to join the
Institute's scientific board, one of the world's leading experts and his
mentor in immuno-oncology Prof. Shimon Slavin said, "Dr. Gümrükçü
was a young Turkish post-doc with interesting ideas when I first met him
eight years ago. I am looking forward to our future collaboration in
developing and implementing novel cancer treatments at Seraph
Research Institute."

26 His interest in other fields of science, such as physics, has led him to
27 pursue creating cross-disciplinary solutions to complex human diseases
28 as a researcher. Based on his unique research training, Dr. Gümrükçü has
become a prolific inventor, submitting various patent/provisional patent
applications, which include several approaches aimed to treat or

1 potentially cure HIV/AIDS, Hepatitis B, major solid tumors, rare but
2 deadly diseases, and for a novel vaccine for HIV among many others.

3 Dr. Gümrükçü has licensed intellectual property related to HIV and
4 several solid tumors to Enochian. Dr. Mark Dybul, MD said, “Dr.
5 Gümrükçü is one of those rare geniuses that is not bound by scientific
6 discipline or dogma. He sees connections and opportunities often missed.
7 His ideas are the purest kind: those that seem so obvious and simple once
8 he has conceived of, and explained them.”

9 30. On December 10, 2019, Enochian issued a press release, stating in
10 relevant part:

11 **Enochian Biosciences Announces Scientific Presentation of a Novel
12 Approach to Potentially Cure Hepatitis B Virus**

13 * * *

14 Dr. Serhat Gumrukcu, the inventor of products in the Enochian pipeline
15 and Director of the Seraph Research Institute (SRI), presented the data
16 at the HEP DART scientific conference in Kauai, Hawaii. The data were
17 generated through a collaboration between SRI and Dr. Philippe Gallay
18 of the Scripps Institute.

19 31. On September 23, 2020, Enochian filed a Form 10-K for the period
20 ended June 30, 2020, which contained SOX certifications by Defendants Dybul and
21 Puche attesting to the accuracy of financial statements and the disclosure of all fraud.
22 stating in relevant part:

23 *We are highly dependent on the services of third parties to conduct
24 research and development of our pipeline, and our failure to maintain
25 the services of such third parties could harm our business*

26 We are highly dependent on third parties working in conjunction with
27 our officers, employees, scientific advisory board and research
28 institutions in the research and development of product candidates in our
29 pipeline. Many of the techniques utilized in the development of our
30 product candidates have been developed by Dr. Serhat Gümrükçü, and
31 we rely on the services of Dr. Gümrükçü, and of G-Tech Bio LLC and
32 Seraph Research Institute, in the continued development of our pipeline.
33 *Our future performance will depend on our ability to retain the services
34 of Dr. Gümrükçü*, G-Tech Bio LLC and Seraph Research Institute. The
35 loss of the services of any of the foregoing, or of any of our key
36 employees or scientific advisory board members could impede the
37 achievement of our research, development, regulatory approvals and
38 commercialization objectives.

39 (First emphasis in original.)

1 32. On March 24, 2021, Enochian issued a press release, stating in relevant
2 part:

3 Seraph Research Institute (SRI) and Enochian BioSciences, Inc., a
4 company focused on gene-modified cellular and immune therapies in
5 infectious diseases and cancer, today announced that a 36-year old
6 patient with recurrent glioblastoma achieved complete remission for a
7 period of 15 months.

8 * * *

9 In compliance with U.S. Food and Drug Administration guidance, SRI
10 treated the patient with natural killer (NK) and dendritic cells (DC) from
11 a relative who had a partial genetic mismatch.

12 33. On July 16, 2021, Enochian filed a Form 424B5 with the SEC, stating in
13 relevant part:

14 We are highly dependent on third parties working in conjunction with
15 our officers, employees, scientific advisory board and research
16 institutions in the research and development of product candidates in our
17 pipeline. Many of the techniques utilized in the development of our
18 product candidates have been developed by Dr. Serhat Gümrükçü, and
19 we rely on the services of Dr. Gümrükçü, and of G-Tech Bio LLC and
20 Seraph Research Institute, in the continued development of our pipeline.
21 ***Our future performance will depend on our ability to retain the services***
22 ***of Dr. Gümrükçü***, G-Tech Bio LLC and Seraph Research Institute. The
23 loss of the services of any of the foregoing, or of any of our key
24 employees or scientific advisory board members could impede the
25 achievement of our research, development, regulatory approvals and
26 commercialization objectives.

27 34. On September 24, 2021, Enochian filed a Form 10-K for the fiscal year
28 ended June 30, 2021, highlighting the Company's dependence on Mr. Gumrukcu:

29 Our dependence on the services of experts, including Dr. Serhat
30 Gümrükçü, and third parties to research and develop product candidates
31 in cooperation with our employees, officers, scientific advisory board,
32 and research institutions

33 * * *

34 Our co-founder and inventor, Dr. Serhat Gumrukcu, who is also the
35 Director of Seraph Research Institute (SRI), submitted Pre-IND for
36 ENOB-HV-21 an innovative treatment of Natural Killer (NK) and
37 Gamma Delta T-Cells (GDT) collected from another person.

38 * * *

39 We are highly dependent on third parties working in conjunction with
40 our officers, employees, scientific advisory board and research
41 institutions in the research and development of product candidates in our

1 pipeline. Many of the techniques utilized in the development of our
2 product candidates have been developed by Dr. Serhat Gumrukcu, and
3 we rely on the services of Dr. Gumrukcu, and of G-Tech Bio LLC and
4 SRI, in the continued development of our pipeline. Our future
5 performance will depend on our ability to retain the services of Dr.
Gumrukcu, G-Tech Bio LLC and SRI. The loss of the services of any of
the foregoing, or of any of our key employees or scientific advisory
board members could impede the achievement of our research,
development, regulatory approvals and commercialization objectives.

6 * * *

7 We hold rights under license agreements with our licensors, including
8 Weird Science and G-Tech, , SRI and Dr. Serhat Gumrukcu that are
9 important to our business. Our research and development platform is
built, in part, around patent rights licensed from such licensors.

10 35. The above statements identified in ¶¶ 23-34 were materially false and/or
11 misleading, and failed to disclose material adverse facts about the Company's
12 business, operations, and prospects. Specifically, Defendants failed to disclose to
13 investors: (1) that co-founder and inventor Gumrukcu was engaged in a variety of
14 frauds; (2) that Gumrukcu was not a licensed doctor anywhere in the world; (4) that,
15 as a result of the foregoing, Gumrukcu's purported contributions to the Company
lacked a reasonable basis; (5) that, as a result of the foregoing, the Company had
16 overstated its commercial prospects; (6) that Gumrukcu had improperly diverted
17 approximately \$20 million from Enochian to entities he owned; and (7) that, as a result
18 of the foregoing, Defendants' positive statements about the Company's business,
19 operations, and prospects were materially misleading and/or lacked a reasonable
20 basis.

21 36. The truth began to emerge on May 25, 2022 when the U.S. Department
22 of Justice ("DOJ") announced that Serhat Gumrukcu, the co-founder and inventor of
23 Enochian, had been arrested in a murder-for-hire conspiracy. The DOJ's press release
24 stated that Gumrukcu had been arrested in connection with the murder of Gregory
25 Davis, stating in relevant part:

26 According to court records, Jerry Banks, 34, of Fort Garland, Colorado
27 was previously arrested after having been charged with kidnapping
28 Gregory Davis from his Danville home on January 6, 2018. On January
7, 2018, Davis was found dead in a snowbank several miles from his

1 residence. Although Banks is not charged with Davis's murder, the
2 government has alleged that Banks murdered Davis. Also, Aron Lee
3 Ethridge, 41, of Henderson, Nevada has been arrested on charges of
4 conspiring to kidnap Davis, and Ethridge is alleged to have
5 communicated with Banks before and after the kidnapping and murder.

6 37. On this news, the Company's shares fell \$2.17, or 37%, to close at \$3.70
7 per share on May 25, 2022, on unusually heavy trading volume.

8 38. Also on May 25, 2022, after the market closed, Enochian issued a press
9 release with a statement from its Board of Directors, stating in relevant part:

- 10 • The Board has verified that the incident leading to the arrest
11 occurred prior to the merger which created the Enochian of today,
12 and ***is completely unrelated*** to the Company;
- 13 • The Board reviewed the important scientific discoveries of the
14 inventor and the Company's rights with regards to those
15 discoveries, which will be unchanged
- 16 • ***The Board confirmed that Dr. Serhat Gumrukcu has had no
17 formal role in the Company, and has no involvement with the
18 Company's strong management, scientific team and
19 collaborations with leaders in the field;***

20 The Board of Directors of Enochian BioSciences Inc. met today and
21 expressed unanimous and strong affirmation of the current position of
22 the Company, the Management and the promising advancement of the
23 Research and Development pipeline.

24 The strong affirmation of the Company by the Board follows the
25 unexpected and shocking press release by the Department of Justice that
26 Dr. Serhat Gumrukcu, an inventor and co-founder of the Company, has
27 been arrested and charged with serious crimes (link to release) that are
28 reported to have occurred prior to the merger which created the Company
of today. ***The Board reviewed what is known and concluded without
reservation that there is no link between the criminal charges and any
actions of the Company.***

29 39. The above statements identified in ¶ 38 were materially false and/or
30 misleading, and failed to disclose material adverse facts about the Company's
31 business, operations, and prospects. Specifically, Defendants failed to disclose to
32 investors: (1) that co-founder and inventor Gumrukcu was engaged in a variety of
33 frauds; (2) that Gumrukcu was not a licensed doctor anywhere in the world; (4) that,
34 as a result of the foregoing, Gumrukcu's purported contributions to the Company
35 lacked a reasonable basis; (5) that, as a result of the foregoing, the Company had
36

1 overstated its commercial prospects; (6) that Gumrukcu had improperly diverted
2 approximately \$20 million from Enochian to entities he owned; and (7) that, as a result
3 of the foregoing, Defendants' positive statements about the Company's business,
4 operations, and prospects were materially misleading and/or lacked a reasonable
5 basis.

6 40. On June 1, 2022, Hindenburg Research published a research report
7 revealing that the federal prosecutors alleged Gumrukcu's motive for the murder-for-
8 hire was to conceal fraud allegations by the victim, Mr. Davis, which would have
9 threatened Enochian's merger in February 2018. It stated, in relevant part:

10 Federal prosecutors outlined Gumrukcu's motive, describing how Davis
11 threatened to go to the FBI alleging fraud against Gumrukcu and his
brother:

12 “In 2017, Davis was threatening the Gumrukcus about
13 going to the FBI with evidence that the Gumrukcus were
defrauding him in a multimillion-dollar oil deal that the
14 Gumrukcus had entered into with Davis in early 2015.”

15 Prosecutors made clear that in addition to avoiding criminal fraud
16 charges, a key motive for the alleged murder plot was that Gumrukcu
was in the midst of closing the merger with Enochian, and Davis's
testimony may have threatened the deal:

17 “That same year, 2017, Serhat Gumrukcu was putting
18 together a successful deal that came together soon after the
murder, namely, his significant ownership stake in a biotech
19 company, Enochian Bioscience. Gumrukcu therefore had a
strong motive to prevent Davis from reporting yet another
fraud, and likely threatening the Enochian deal.”

20 41. The Hindenburg report further alleged that Gumrukcu is not a licensed
21 doctor in any jurisdiction in the world and that he had pled guilty to felony charges in
22 the midst of the Company's merger in early 2018:

23 In collaboration with journalists and investigators in Russia, Denmark,
24 Turkey, and the United States, we conducted an extensive review of
Gumrukcu and his colleagues' activities over the last 25 years.

25 We spoke with Gumrukcu's magician mentor, old teachers, former
26 classmates, business partners, and patients. We contacted many of the
organizations that Gumrukcu claims to be associated with, including the
27 universities where he claims to have earned multiple degrees. We have
also spoken with many of the victims of Gumrukcu's financial and
28 medical crimes – several of whom seem oddly enraptured by him.

1 We have concluded that Gumrukcu's claimed background is virtually a
2 complete lie. Far from a highly credentialed scientist, Gumrukcu's career
is instead that of an international con artist.

3 * * *

4 Eight days later, on January 25, 2018, Gumrukcu appeared and pled
5 guilty to one felony count of Second-Degree Commercial Burglary, per
6 correspondence with California AG.[8] The imposition of his sentence
was suspended and Gumrukcu was placed on formal probation for 5
years. The remaining counts were dismissed in light of the plea.

7 The merger deal closed less than a month later, on February 16th, 2018,
8 while Gumrukcu was a convicted felon awaiting sentencing. We asked
9 Enochian Chairman Rene Sindlev whether he knew of the felony charges
before the merger:

10 Hindenburg: "But of course you did know of these felony
counts before the merger, right?"

11 Chairman Rene Sindlev: "We did."

12 Hindenburg: "You did know about them?"

13 Chairman Rene Sindlev: "Yes."

14 When asked why it was never disclosed to investors, Sindlev said court
records are public.

15 42. The report further alleged that he "had siphoned tens of millions of
16 dollars in shareholder cash from Enochian to his privately-owned entities" owned by
17 Gumrukcu and his husband:
18

19 We estimate that \$20 million has been siphoned to Gumrukcu and his
various entities, based on SEC filings:

- 20 • On February 17th, 2018, Enochian signed a consulting agreement
21 with Weird Science LLC. Enochian paid \$112,500 to Weird
Science for "medical services" even though Weird Science's two
22 other named individuals, Carl Sandler and Anderson Wittekind,
have no medical background. Anderson Wittekind is Gumrukcu's
husband. The original incorporation address for Weird Science
23 matches that of Gumrukcu's former LA home.[
24]
- 25 • On July 9th, 2018, Enochian signed a research contract with G-
Tech Bio LLC, initially worth up to \$2.6 million, to "assist the
Company with the development of" various therapies relating to
26 HIV.[
27 11] G-Tech is owned by Gumrukcu and his husband,
Anderson Wittekind, and has no other employees that we can see.
Although the initial 20-month term ended, Enochian continues to
pay Gumrukcu's privately owned G-Tech Bio \$25,000 per month
through a seemingly never-ending consulting agreement. [
28]

- On January 31st, 2020, Enochian entered into a license agreement for a Hepatitis B Vaccine with two entities owned by Gumrukcu or his affiliates—G-Tech Bio and Seraph Research Institute—under which Enochian paid \$1.2 million up-front as well as agreeing to continuing payments of \$144,500 per month with no clear end date. [] During the 6 months ended December 31st, 2021, Enochian paid out an additional \$1.5 million to Gumrukcu's privately owned entities under this agreement. []
- On April 18th, 2021, Enochian entered into an agreement for coronavirus and influenza treatment and prevention research with G-Tech and Seraph Research Institute, both owned by Gumrukcu or his affiliates, that included an up-front payment of \$10 million, a \$760,000 expense budget, and “additional payments upon the occurrence of certain benchmarks...” [] During the 6 months ended 12/31/2021, Enochian paid out an additional \$150,000 to Gumrukcu's privately owned entities under this agreement.

In the last 6 months of 2021 alone, Enochian paid a total of ~\$3.5 million to G-Tech Bio, LLC, Gumrukcu's privately-owned for-profit entity that is headquartered in the same building as Enochian[] and that has no employees on LinkedIn.

43. Moreover, Enochian has been aware of the foregoing allegations against
Gumrukcu. Specifically, the Hindenburg report alleged:

Subsequent litigation records show that Enochian has been aware of all the above. Former CFO Robert Wolfe has revealed in court records that he was fired when he asked “critical questions” about Gumrukcu and his criminal record.

He also questioned large payments to Gumrukcu or entities he controlled for “security”. SEC filings indicate that Enochian spent at least \$780,015 on security expenses in 2019 alone, an odd line item for a small biotech company.

[image omitted]

As reported by Danish media outlet Medwatch, Wolfe sued Enochian in Denmark after his termination, kicking off ongoing and back and forth litigation in both Vermont and Denmark.

Enochian's former CEO, Eric Leire, was also terminated 2 days after Robert Wolfe, with no reason provided.

44. On this news, the Company's shares fell \$1.495, or 28.4%, to close at \$3.77 on June 1, 2022, on unusually heavy trading volume.

45. On June 2, 2022, Enochian issued a letter to the shareholders, stating in relevant part:

1 These attacks against Enochian Biosciences attempt to conflate the
2 inventor's past with our future as a company – despite the fact that the
3 inventor has never held a formal role with the company; despite the fact
4 that our company had no knowledge of certain legal issues in which the
inventor was involved in foreign jurisdictions; and despite the fact that
the inventor's scientific advisory role with Enochian was terminated as
soon as the company learned about these allegations last week.

5 The allegations against the inventor are disturbing, and we take them
6 seriously. Personally, while they are still only accusations and everyone
is innocent until proven guilty, I was shocked to have learned last week
of these allegations and past history.

7 * * *

8 The Board and Management were unaware of the lawsuit in Turkey until
9 a writer started contacting Board members late last week.

10 * * *

11 The recent, shocking arrest was entirely unknown to any members of
12 Management or the Board until early evening last Tuesday. Details and
the specific charges were unknown until the U.S. Department of Justice
13 issued its press release – which was when several of the Board members
learned the details of the arrest.

14 46. The above statements identified in ¶ 45 were materially false and/or
15 misleading, and failed to disclose material adverse facts about the Company's
16 business, operations, and prospects. Specifically, Defendants failed to disclose to
17 investors: (1) that Gumrukcu's purported contributions to the Company lacked a
18 reasonable basis; (2) that, as a result of the foregoing, the Company had overstated its
19 commercial prospects; and (3) that, as a result of the foregoing, Defendants' positive
20 statements about the Company's business, operations, and prospects were materially
21 misleading and/or lacked a reasonable basis.

22 **Disclosures at the End of the Class Period**

23 47. On June 27, 2022, *The Wall Street Journal* published an article entitled
24 "Biotech Wizard Left a Trail of Fraud—Prosecutors Allege It Ended in Murder,"
25 claiming that Gumrukcu owed Davis over \$900,000 after Gumrukcu coaxed Davis
26 into entering into a fraudulent oil deal with him. The article further alleged that FBI
27 agents were suspicious that Gumrukcu "had fabricated his resume and held neither a
28 medical degree nor a doctoral degree." The article stated, in relevant part:

1 Prosecutors now allege that Mr. Gumrukcu arranged the murder of a
2 business associate, Gregory Davis, who threatened to expose him as a
3 fraud. Such a revelation would have put at risk the 39-year-old
4 entrepreneur's deal with Enochian, they said.

5 * * *

6 Mr. Davis believed [the Gumrukcu brothers] owed him more than
7 \$900,000 for late fees and penalties, court papers said.

8 The FBI agent in L.A. said that during her investigation she came to
9 suspect Mr. Gumrukcu of another fraud, "claiming to be an American
10 doctor who had a special cure for cancer and AIDS," according to court
11 papers.

12 * * *

13 Mr. Davis had arranged to broker a deal to buy refined oil products and
14 resell them at a profit, said a person familiar with the matter. The
15 Gumrukcu brothers agreed to put up the cash in exchange for a
16 percentage of the profit, the person said, in a deal valued between \$20
17 million and \$30 million.

18 Mr. Davis had threatened to expose fraudulent bank documentation by
19 Mr. Gumrukcu and his brother to the FBI, according to a court filing by
20 prosecutors. At the time, the Enochian deal was undergoing its final
21 stages of due diligence, according to court papers.

22 ***Mr. Davis's bank-fraud claims could have derailed the deal, the court
23 filing said. That gave Mr. Gumrukcu "a strong motive to prevent Davis
24 from reporting yet another fraud, and likely threatening the Enochian
25 deal,"*** the filing said.

26 48. On this news, the Company's shares fell \$0.73, or 21.9%, to close at
27 \$2.60 per share on June 27, 2022, on unusually heavy trading volume.

Post Class Period Events

28 49. On July 1, 2022, the Company issued a press release announcing the
results of an internal review of its scientific data. Among other things, Enochian stated
that "former scientific advisor Serhat Gumrukcu altered two different sets of animal
data generated by third-party research institutions before Enochian's scientists had a
chance to review" and that "[t]he Company is evaluating its internal controls
regarding the review and verification of external scientific data and will modify as
appropriate."

CLASS ACTION ALLEGATIONS

2 50. Plaintiffs bring this action as a class action pursuant to Federal Rule of
3 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
4 entities that purchased or otherwise acquired Enochian securities during the Class
5 Period, and who were damaged thereby (the “Class”). Excluded from the Class are
6 Defendants, the officers and directors of the Company, at all relevant times, members
7 of their immediate families and their legal representatives, heirs, successors, or
8 assigns, and any entity in which Defendants have or had a controlling interest.

9 51. The members of the Class are so numerous that joinder of all members
10 is impracticable. Throughout the Class Period, Enochian's shares actively traded on
11 the NASDAQ and OTCBB. While the exact number of Class members is unknown
12 to Plaintiffs at this time and can only be ascertained through appropriate discovery,
13 Plaintiffs believe that there are at least hundreds or thousands of members in the
14 proposed Class. Millions of Enochian shares were traded publicly during the Class
15 Period on the NASDAQ and OTCBB. Record owners and other members of the Class
16 may be identified from records maintained by Enochian or its transfer agent and may
17 be notified of the pendency of this action by mail, using the form of notice similar to
18 that customarily used in securities class actions.

19 52. Plaintiffs' claims are typical of the claims of the members of the Class
20 as all members of the Class are similarly affected by Defendants' wrongful conduct
21 in violation of federal law that is complained of herein.

22 53. Plaintiffs will fairly and adequately protect the interests of the members
23 of the Class and has retained counsel competent and experienced in class and
24 securities litigation.

25 54. Common questions of law and fact exist as to all members of the Class
26 and predominate over any questions solely affecting individual members of the Class.
27 Among the questions of law and fact common to the Class are:

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

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

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

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

UNDISCLOSED ADVERSE FACTS

15 56. The market for Enochian's securities was open, well-developed and
16 efficient at all relevant times. As a result of these materially false and/or misleading
17 statements, and/or failures to disclose, Enochian's securities traded at artificially
18 inflated prices during the Class Period. Plaintiffs and other members of the Class
19 purchased or otherwise acquired Enochian's securities relying upon the integrity of
20 the market price of the Company's securities and market information relating to
21 Enochian, and have been damaged thereby.

22 57. During the Class Period, Defendants materially misled the investing
23 public, thereby inflating the price of Enochian's securities, by publicly issuing false
24 and/or misleading statements and/or omitting to disclose material facts necessary to
25 make Defendants' statements, as set forth herein, not false and/or misleading. The
26 statements and omissions were materially false and/or misleading because they failed
27 to disclose material adverse information and/or misrepresented the truth about
28 Enochian's business, operations, and prospects as alleged herein.

1 58. At all relevant times, the material misrepresentations and omissions
2 particularized in this Complaint directly or proximately caused or were a substantial
3 contributing cause of the damages sustained by Plaintiffs and other members of the
4 Class. As described herein, during the Class Period, Defendants made or caused to
5 be made a series of materially false and/or misleading statements about Enochian's
6 financial well-being and prospects. These material misstatements and/or omissions
7 had the cause and effect of creating in the market an unrealistically positive
8 assessment of the Company and its financial well-being and prospects, thus causing
9 the Company's securities to be overvalued and artificially inflated at all relevant
10 times. Defendants' materially false and/or misleading statements during the Class
11 Period resulted in Plaintiffs and other members of the Class purchasing the
12 Company's securities at artificially inflated prices, thus causing the damages
13 complained of herein when the truth was revealed.

LOSS CAUSATION

15 59. Defendants' wrongful conduct, as alleged herein, directly and
16 proximately caused the economic loss suffered by Plaintiffs and the Class.

17 60. During the Class Period, Plaintiffs and the Class purchased Enochian's
18 securities at artificially inflated prices and were damaged thereby. The price of the
19 Company's securities significantly declined when the misrepresentations made to the
20 market, and/or the information alleged herein to have been concealed from the market,
21 and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

23 61. As alleged herein, Defendants acted with scienter since Defendants knew
24 that the public documents and statements issued or disseminated in the name of the
25 Company were materially false and/or misleading; knew that such statements or
26 documents would be issued or disseminated to the investing public; and knowingly
27 and substantially participated or acquiesced in the issuance or dissemination of such
28 statements or documents as primary violations of the federal securities laws. As set

1 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
2 of information reflecting the true facts regarding Enochian, their control over, and/or
3 receipt and/or modification of Enochian's allegedly materially misleading
4 misstatements and/or their associations with the Company which made them privy to
5 confidential proprietary information concerning Enochian, participated in the
6 fraudulent scheme alleged herein.

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

9 62. The market for Enochian’s securities was open, well-developed and
10 efficient at all relevant times. As a result of the materially false and/or misleading
11 statements and/or failures to disclose, Enochian’s securities traded at artificially
12 inflated prices during the Class Period. On November 30, 2021, the Company’s share
13 price closed at a Class Period high of \$12.55 per share. Plaintiffs and other members
14 of the Class purchased or otherwise acquired the Company’s securities relying upon
15 the integrity of the market price of Enochian’s securities and market information
16 relating to Enochian, and have been damaged thereby.

17 63. During the Class Period, the artificial inflation of Enochian's shares was
18 caused by the material misrepresentations and/or omissions particularized in this
19 Complaint causing the damages sustained by Plaintiffs and other members of the
20 Class. As described herein, during the Class Period, Defendants made or caused to
21 be made a series of materially false and/or misleading statements about Enochian's
22 business, prospects, and operations. These material misstatements and/or omissions
23 created an unrealistically positive assessment of Enochian and its business,
24 operations, and prospects, thus causing the price of the Company's securities to be
25 artificially inflated at all relevant times, and when disclosed, negatively affected the
26 value of the Company shares. Defendants' materially false and/or misleading
27 statements during the Class Period resulted in Plaintiffs and other members of the

1 Class purchasing the Company's securities at such artificially inflated prices, and each
2 of them has been damaged as a result.

3 64. At all relevant times, the market for Enochian's securities was an
4 efficient market for the following reasons, among others:

5 (a) Enochian shares met the requirements for listing, and was listed
6 and actively traded on either the NASDAQ or OTCBB, highly efficient and automated
7 markets;

8 (b) As a regulated issuer, Enochian filed periodic public reports with
9 the SEC, the NASDAQ, and/or the OTCBB;

10 (c) Enochian regularly communicated with public investors via
11 established market communication mechanisms, including through regular
12 dissemination of press releases on the national circuits of major newswire services
13 and through other wide-ranging public disclosures, such as communications with the
14 financial press and other similar reporting services; and/or

15 (d) Enochian was followed by securities analysts employed by
16 brokerage firms who wrote reports about the Company, and these reports were
17 distributed to the sales force and certain customers of their respective brokerage firms.
18 Each of these reports was publicly available and entered the public marketplace.

19 65. As a result of the foregoing, the market for Enochian's securities
20 promptly digested current information regarding Enochian from all publicly available
21 sources and reflected such information in Enochian's share price. Under these
22 circumstances, all purchasers of Enochian's securities during the Class Period
23 suffered similar injury through their purchase of Enochian's securities at artificially
24 inflated prices and a presumption of reliance applies.

25 66. A Class-wide presumption of reliance is also appropriate in this action
26 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
27 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
28 Defendants' material misstatements and/or omissions. Because this action involves

1 Defendants' failure to disclose material adverse information regarding the Company's
2 business operations and financial prospects—information that Defendants were
3 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
4 that is necessary is that the facts withheld be material in the sense that a reasonable
5 investor might have considered them important in making investment decisions.
6 Given the importance of the Class Period material misstatements and omissions set
7 forth above, that requirement is satisfied here.

NO SAFE HARBOR

9 67. The statutory safe harbor provided for forward-looking statements under
10 certain circumstances does not apply to any of the allegedly false statements pleaded
11 in this Complaint. The statements alleged to be false and misleading herein all relate
12 to then-existing facts and conditions. In addition, to the extent certain of the
13 statements alleged to be false may be characterized as forward looking, they were not
14 identified as “forward-looking statements” when made and there were no meaningful
15 cautionary statements identifying important factors that could cause actual results to
16 differ materially from those in the purportedly forward-looking statements. In the
17 alternative, to the extent that the statutory safe harbor is determined to apply to any
18 forward-looking statements pleaded herein, Defendants are liable for those false
19 forward-looking statements because at the time each of those forward-looking
20 statements was made, the speaker had actual knowledge that the forward-looking
21 statement was materially false or misleading, and/or the forward-looking statement
22 was authorized or approved by an executive officer of Enochian who knew that the
23 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

68. Plaintiffs repeat and re-allege each and every allegation contained above as if fully set forth herein.

7 69. During the Class Period, Defendants carried out a plan, scheme and
8 course of conduct which was intended to and, throughout the Class Period, did: (i)
9 deceive the investing public, including Plaintiffs and other Class members, as alleged
10 herein; and (ii) cause Plaintiffs and other members of the Class to purchase
11 Enochian's securities at artificially inflated prices. In furtherance of this unlawful
12 scheme, plan and course of conduct, Defendants, and each defendant, took the actions
13 set forth herein.

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

22 71. Defendants, individually and in concert, directly and indirectly, by the
23 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
24 and participated in a continuous course of conduct to conceal adverse material
25 information about Enochian's financial well-being and prospects, as specified herein.

26 72. Defendants employed devices, schemes and artifices to defraud, while in
27 possession of material adverse non-public information and engaged in acts, practices,
28 and a course of conduct as alleged herein in an effort to assure investors of Enochian's

1 value and performance and continued substantial growth, which included the making
2 of, or the participation in the making of, untrue statements of material facts and/or
3 omitting to state material facts necessary in order to make the statements made about
4 Enochian and its business operations and future prospects in light of the circumstances
5 under which they were made, not misleading, as set forth more particularly herein,
6 and engaged in transactions, practices and a course of business which operated as a
7 fraud and deceit upon the purchasers of the Company's securities during the Class
8 Period.

9 73. Each of the Individual Defendants' primary liability and controlling
10 person liability arises from the following facts: (i) the Individual Defendants were
11 high-level executives and/or directors at the Company during the Class Period and
12 members of the Company's management team or had control thereof; (ii) each of
13 these defendants, by virtue of their responsibilities and activities as a senior officer
14 and/or director of the Company, was privy to and participated in the creation,
15 development and reporting of the Company's internal budgets, plans, projections
16 and/or reports; (iii) each of these defendants enjoyed significant personal contact and
17 familiarity with the other defendants and was advised of, and had access to, other
18 members of the Company's management team, internal reports and other data and
19 information about the Company's finances, operations, and sales at all relevant times;
20 and (iv) each of these defendants was aware of the Company's dissemination of
21 information to the investing public which they knew and/or recklessly disregarded
22 was materially false and misleading.

23 74. Defendants had actual knowledge of the misrepresentations and/or
24 omissions of material facts set forth herein, or acted with reckless disregard for the
25 truth in that they failed to ascertain and to disclose such facts, even though such facts
26 were available to them. Such defendants' material misrepresentations and/or
27 omissions were done knowingly or recklessly and for the purpose and effect of
28 concealing Enochian's financial well-being and prospects from the investing public

1 and supporting the artificially inflated price of its securities. As demonstrated by
2 Defendants' overstatements and/or misstatements of the Company's business,
3 operations, financial well-being, and prospects throughout the Class Period,
4 Defendants, if they did not have actual knowledge of the misrepresentations and/or
5 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
6 refraining from taking those steps necessary to discover whether those statements
7 were false or misleading.

8 75. As a result of the dissemination of the materially false and/or misleading
9 information and/or failure to disclose material facts, as set forth above, the market
10 price of Enochian's securities was artificially inflated during the Class Period. In
11 ignorance of the fact that market prices of the Company's securities were artificially
12 inflated, and relying directly or indirectly on the false and misleading statements made
13 by Defendants, or upon the integrity of the market in which the securities trades,
14 and/or in the absence of material adverse information that was known to or recklessly
15 disregarded by Defendants, but not disclosed in public statements by Defendants
16 during the Class Period, Plaintiffs and the other members of the Class acquired
17 Enochian's securities during the Class Period at artificially high prices and were
18 damaged thereby.

19 76. At the time of said misrepresentations and/or omissions, Plaintiffs and
20 other members of the Class were ignorant of their falsity, and believed them to be
21 true. Had Plaintiffs and the other members of the Class and the marketplace known
22 the truth regarding the problems that Enochian was experiencing, which were not
23 disclosed by Defendants, Plaintiffs and other members of the Class would not have
24 purchased or otherwise acquired their Enochian securities, or, if they had acquired
25 such securities during the Class Period, they would not have done so at the artificially
26 inflated prices which they paid.

27 77. By virtue of the foregoing, Defendants violated Section 10(b) of the
28 Exchange Act and Rule 10b-5 promulgated thereunder.

1 78. As a direct and proximate result of Defendants' wrongful conduct,
2 Plaintiffs and the other members of the Class suffered damages in connection with
3 their respective purchases and sales of the Company's securities during the Class
4 Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

8 79. Plaintiffs repeat and re-allege each and every allegation contained above
9 as if fully set forth herein.

10 80. Individual Defendants acted as controlling persons of Enochian within
11 the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their
12 high-level positions and their ownership and contractual rights, participation in,
13 and/or awareness of the Company's operations and intimate knowledge of the false
14 financial statements filed by the Company with the SEC and disseminated to the
15 investing public, Individual Defendants had the power to influence and control and
16 did influence and control, directly or indirectly, the decision-making of the Company,
17 including the content and dissemination of the various statements which Plaintiffs
18 contends are false and misleading. Individual Defendants were provided with or had
19 unlimited access to copies of the Company's reports, press releases, public filings,
20 and other statements alleged by Plaintiffs to be misleading prior to and/or shortly after
21 these statements were issued and had the ability to prevent the issuance of the
22 statements or cause the statements to be corrected.

23 81. In particular, Individual Defendants had direct and supervisory
24 involvement in the day-to-day operations of the Company and, therefore, had the
25 power to control or influence the particular transactions giving rise to the securities
26 violations as alleged herein, and exercised the same.

27 82. As set forth above, Enochian and Individual Defendants each violated
28 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.

1 By virtue of their position as controlling persons, Individual Defendants are liable
2 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
3 Defendants' wrongful conduct, Plaintiffs and other members of the Class suffered
4 damages in connection with their purchases of the Company's securities during the
5 Class Period.

PRAYER FOR RELIEF

7 WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

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

10 (b) Awarding compensatory damages in favor of Plaintiffs and the other
11 Class members against all defendants, jointly and severally, for all damages sustained
12 as a result of Defendants' wrongdoing, in an amount to be proven at trial, including
13 interest thereon;

14 (c) Awarding Plaintiffs and the Class their reasonable costs and expenses
15 incurred in this action, including counsel fees and expert fees; and

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

JURY TRIAL DEMANDED

18 Plaintiffs hereby demand a trial by jury.