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IN THE UNITED STATES COURT OF FEDERAL CLAIMS

Electronically filed: August 30, 2024

REVEN HOLDINGS, INC., a Delaware Corporation; REVEN IP HOLDCO LLC, a Delaware Limited Liability Company; and REVEN, LLC, a Delaware Limited Liability Company, Plaintiffs, v. THE UNITED STATES, Defendant.	24-1353 L Case No. _____ Hon. _____

COMPLAINT FOR TAKING WITHOUT JUST COMPENSATION

Plaintiffs, Reven Holdings, Inc., Reven, LLC and Reven IP Holdco LLC (collectively "Reven") bring this suit for Fifth Amendment just compensation arising out of the U.S. Securities and Exchange Commission's (SEC) seizure of all of Reven's corporate property, ostensibly to protect the shareholding public. But, contrary to its ostensible purpose, the SEC's sweeping freeze of Reven's assets has backfired, destroying rather than preserving Reven's valuable corporate property interests.

For decades, Reven had successfully developed and marketed beneficial pharmaceuticals used to treat infectious, inflammatory, cardiovascular, and metabolic diseases. Reven's business was based on its extensive and valuable property interests, including intellectual property rights (e.g., trademarks, copyrights, patents); technical knowhow; business goodwill and brand value; research data; IT infrastructure such as

computers and software; clinical testing data; lab equipment, product inventory, and manufacturing equipment; and bank accounts.

But suddenly, on December 9, 2022, without prior notice and with no opportunity to be heard, the SEC filed an ex parte motion to freeze all of Reven's corporate assets (as well as personal assets of Reven's principals). The SEC's ex parte appropriation of Reven's property rights—by virtue of the SEC's imposition of a total freeze on all of Reven's and its principals' assets—directly, naturally, and foreseeably destroyed Reven's valuable property rights and has choked off Reven's ability to survive as a going business. The SEC has steadfastly opposed Reven's efforts to get capital, including using or leveraging its own assets, to pay patent fees, employees, rent, contractors, suppliers, and other important business expenses, causing the loss and destruction of Reven's highly valuable property interests.

Ironically, the SEC's asset freeze has destroyed many of Reven's corporate property interests, harming Reven's investors—precisely the opposite of the statutory purpose of this extraordinary remedy. Without the ability to access capital through any means, Reven cannot maintain its patent portfolio or advance its pharmaceutical candidates, crippling Reven's ability to act in the best interest of its investors.

The SEC has violated the Fifth Amendment by using its legitimate enforcement authority in a harsh and confiscatory manner, unconstitutionally taking Reven's private property without compensation to benefit a handful of Reven's competitors, putting Reven "out of business entirely." To date, Reven has suffered tens of millions of dollars in

permanent financial losses representing the fair market value of the property taken. This lawsuit seeks compensation for those losses.

PARTIES

1. Plaintiff, Reven Holdings, Inc., is a Delaware corporation with its principal place of business in Westminster, Colorado. Reven Holdings is a successor to Reven Pharmaceuticals, Inc., which was formed in 1999. Formed in August 2018, Reven Holdings, Inc. is a privately held biotechnology and pharmaceutical holding company that acquires and commercializes pharmaceutical assets in various stages of clinical development. The company's flagship technology, Rejuveinix, encompasses several active pharmacological ingredients as a combination therapy, working in concert to create an effective platform targeting multiple conditions. Rejuveinix is formulated to address severe and difficult to treat diseases and other serious health conditions caused by infectious, inflammatory, cardiovascular, and metabolic diseases. Reven is also developing new treatment platforms for several types of cancer, various forms of sepsis, and other inflammatory disorders. Reven has completed Phase 1 human safety trials for Rejuveinix, and it has shown significant efficacy in Phase 2 human clinical trials.

2. Plaintiff, Reven IP Holdco LLC, is a Delaware limited liability company formed in June 2020, with its principal place of business in Westminster, Colorado. Reven IP Holdco LLC is a wholly owned subsidiary of Reven Holdings, Inc., and holds virtually all of Reven's intellectual property assets, including the intellectual property relating to Reven's primary pharmaceutical invention, Rejuveinix. Reven also began to

establish and build relationships with institutional investment firms and potential joint venture partners and clinical collaborators in the biotech and pharmaceutical space.

3. Reven, LLC, is a Delaware limited liability company formed in August 2018, with its principal place of business in Westminster, Colorado. Reven, LLC is a wholly owned subsidiary of Reven Holdings, Inc. Reven, LLC served as the operating company that maintained Reven's capital, institutional knowledge, and intellectual property.

4. Defendant, the United States of America, is a republic formed under the Constitution of the United States, exercising the powers granted by the people of the United States subject to prescribed limitations, including the requirements of the Fifth Amendment that private property not be taken for public use without just compensation.

JURISDICTION

5. This Court has jurisdiction over these claims under 28 U.S.C. § 1491 (the Tucker Act) as a "claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of any executive department or upon any express or implied contract with the United States."

STATEMENT OF FACTS

Reven Was Created to Innovate and Market Valuable Pharmaceutical Treatments

6. Reven's corporate history extends back to the late 1990s, when Reven created point-of-care diagnostic tests for HIV and several other pathogens and viruses. The company was incorporated under the name of Advanced Diagnostics and was later named Noventis. The Noventis name was again changed in 2009 to Reven

Pharmaceuticals, Inc. In 2006, Reven acquired an early stage cardiovascular and anti-inflammatory intravenous drug treatment, which became the main focus of its development activities. After substantial intellectual property and clinical development, Reven engaged in a corporate restructuring to redomicile the company into Delaware to prepare for a future public offering of its stock on a major stock exchange. After the restructuring, Reven continued to develop and market valuable pharmaceutical products to treat serious, life-threatening diseases. At no point in its history has any Reven corporate entity been held liable for violating the SEC requirements.

7. Reven's corporate structure includes multiple entities, including Reven Holdings, Inc., Reven LLC, and Reven IP Holdco LLC. Reven's business operations are managed by three principals who co-founded Reven and serve on its Board of Directors. These principals are deeply committed to the mission of bringing potentially life-changing therapies to the public. They have consistently put the interests of the company first and have even deferred their own pay so that Reven can continue to progress.

8. In 2018, Reven completed a corporate reorganization in readiness for a public offering, licensing deal, or other liquidity event for shareholders.

9. Reven also contacted several more firms regarding working together on a public offering. For example, Reven started a relationship with Stifel Healthcare in mid-2020, which generated certain work for Reven in October 2020. Reven also had significant involvement with representatives at Raymond James, RBC, Morgan Stanley, Brookline Capital Markets, and National Securities Corporation.

Reven Experiences Rapid Growth and Develops an Important Pharmaceutical Drug, Rejuveinix, for Treating Life-Threatening Diseases

10. Reven's primary focus has been developing and commercializing a cardiovascular and anti-inflammatory intravenous drug treatment called Rejuveinix.

11. Rejuveinix is a major Reven asset and promises to be a first-in-class, multi-model agent for treating severe and difficult-to-treat diseases and other serious health conditions caused by infectious, inflammatory, cardiovascular, and metabolic diseases.

12. In early 2020, the COVID-19 pandemic disrupted many of Reven's plans, including interrupting an approved multi-national Phase 2 trial to begin in Poland and the United States for treating critical limb ischemia. Reven also conducted pre-clinical research on the efficacy of Rejuveinix as a therapy for COVID-19. The results were conclusive that it was well-suited to address an unknown condition killing millions of people who contracted COVID-19. The company pivoted to re-deploy their clinical trial efforts to focus on COVID-19 patients. Reven also continued to make progress toward a public offering or other liquidity event. Reven hired a new Chief Financial Officer in April 2020 specifically to work on bookkeeping and preparing for an audit. Reven also began working through internal accounting deficiencies that would need to be corrected before a public listing could happen. Given the difficulty of establishing concrete plans during the pandemic, Reven also focused on its clinical development program to ensure that, at a minimum, Rejuveinix would be an attractive acquisition target.

13. By 2021, Reven had 12 patents granted in two families in the United States and had applied for 28 patents in five families. Patent families are a set of patents or

patent applications in various countries in relation to a single invention. Globally, Reven had been issued 21 patents, with 98 more applications that had been filed, published, or were in the prosecution process.

14. By 2021, Reven had over 30 pre-clinical animal studies, 13 published articles, six peer-reviewed publications, seven clinical white papers, and developed over 50 protocols. The FDA had approved two Phase 2 investigational new drug applications, the European Medicines Agency had approved Phase 2 human trials, and Reven had successfully completed Phase 1 human trials with no adverse or serious adverse events in Australia or the United States for its breakthrough drug, Rejuveinix.

15. By November 2021, Reven's Phase 2 human trials were three-quarters of the way complete with early data showing encouraging positive efficacy achieving its clinical outcomes. The results were so significantly positive that Reven met with dozens of investment banks and financial institutions regarding a public offering. By this point, Reven was also working closely with SEC counsel to prepare for a potential public offering.

SEC Freezes Reven's Assets, Bringing Its Pharmaceutical Work to a Dead Stop

16. On December 9, 2022—with no prior notice—the SEC filed under seal a suit against Reven, together with an ex parte motion for a temporary restraining order freezing all of Reven's corporate assets. The SEC did not reveal this filing to Reven or the public, maintaining secrecy until the court could grant the SEC's requested asset freeze.

17. Still maintaining secrecy and based on sealed filings, on January 3, 2023, the SEC obtained its requested temporary restraining order based only on the SEC's allegations, which were made under seal and not revealed to Reven, without giving Reven any notice or hearing. In granting the SEC's asset freeze, the district court noted that the Securities Act (SEC's authority for the asset freeze) dispenses with the factors normally required for issuance of injunctive relief, so SEC need not show irreparable harm or balancing of the equities. The temporary restraining order was later converted to a preliminary injunction.

18. On April 12, 2024, Reven moved to modify the preliminary injunction and lift the asset freeze to let Reven obtain funding necessary to preserve Reven's patents and other intellectual properties, and to take steps to avoid losing all the valuable clinical data of its pharmaceutical inventions from the Phase 2 trials. Without that clinical data, the Phase 2 trial expenses would be a complete loss and would have to be replaced by doing a new trial from the beginning. The SEC opposed Reven's motion, and on May 26, 2024, even the district court noted that the "asset freeze in its current form is causing the value of [Reven's] assets to dissipate, rather than preserving" the value of the assets as intended. Reven has appealed this order, and that appeal is pending in the U.S. Circuit Court of Appeals for the Tenth Circuit.

SEC Acted on False Information Provided by Self-Interested Reven Competitors

19. The SEC's case against Reven is based on the discredited testimony of several hostile competitors who want to take over Reven's business and intellectual property rights. These competitors began working with the SEC to provide testimony

that would become the basis of SEC's motion and asset freeze. At the same time, these competitors were developing a competing business venture that ultimately became known as Veterinary Nutraceuticals.

20. The evidence has now shown that these competitors hatched a plot to usurp Reven's management and intellectual property. Based on this new evidence, the SEC has altered its enforcement case against Reven, pivoting away from claims that were based on the now-discredited competitors' statements.

21. The SEC relied on the false narrative provided by these hostile competitors to obtain the SEC's asset freeze, taking Reven's business and property rights.

SEC's Actions Have Caused the Destruction of Reven's Property Rights

22. In sharp contrast to the SEC's vigorous, to the point of excessive, prosecution of Reven, no Reven shareholder has filed a claim of fraud or misrepresentation against Reven.

23. SEC's ill-conceived asset freeze has been in place for more than 20 months and has harmed Reven and its investors by destroying Reven's valuable property interests, including its intellectual property, and causing an irrecoverable loss of corporate value inherent in the patents and intellectual property associated with clinical trial data.

24. Since the SEC imposed its asset freeze in January 2023, Reven's explosive growth has come to a dead halt and languished without access to the needed funding to sustain corporate growth. Much of the data generated by Reven's previously nearly complete FDA trials has, due to the freeze, been rendered useless and now needs to be

redone. Reven has also lost (without the possibility of retrieval) clinical trial data that was not only valuable to Reven's future, but expensive to procure. Reven has therefore incurred the irrecoverable loss of corporate value inherent in the patents and intellectual property associated with clinical trial data.

25. Reven has now lost four of its five patent families and has been forced to abandon prosecution of many patent applications. Even though Reven's principals have spent $100,000 of their personal funds to preserve Reven's intellectual property, large portions of Reven's intellectual property have been lost because of the SEC's asset freeze.

26. Reven has also lost the benefit of the significant out-of-pocket expenses incurred on its past Phase 2 trials, which exceed $20 million. Beyond that, damage to Reven's existing investors is conservatively estimated to be in the hundreds of millions or more, because of the diminished value of Reven based on a past valuation and subsequent loss of intellectual property and clinical data. Further losses caused by a continuing asset freeze will impose more harm on Reven's existing investors while doing nothing to benefit the SEC or investors in the event of a possible future judgment.

27. The asset freeze, in addition to stripping Reven of its vital financial assets, has slowly extinguished Reven's invaluable institutional assets, as a significant contingent of the experienced and knowledgeable staff that have worked on Reven's clinical trials and devoted their time to the development of its intellectual property continue to leave the company because of Reven's inability to pay salaries.

28. Although the SEC knows, and the U.S. District Court for the District of Colorado has acknowledged, Reven was in dire financial distress, the SEC has steadfastly refused Reven's request to unfreeze certain funds to protect its assets.

SEC has Steadfastly Blocked Reven's Efforts to Save its Corporate Assets

29. On June 12, 2023, Reven filed its Opposition to the Government's Motion for Preliminary Injunction, and asked for the district court to lift the asset freeze, stating that an injunction "would doom Reven to further financial losses that will ultimately be borne by the very shareholders the SEC seeks to protect." In that filing Reven informed the Government that, "because Reven has been unable to raise capital or pay significant expenses for the last several months, Reven has lost access to data generated from Phase 2 clinical trials that, before the SEC intervened, were nearly complete," and that "[l]osing this data has cost Reven tens of millions of dollars."

30. Reven further informed the Government that "[t]he TRO and asset freeze have harmed Reven in other ways as well," including loss of "relationships with irreplaceable technical staff and key industry vendors, further limiting the company's future prospects," and that "without access to capital, Reven has struggled to preserve its patents and patent applications, which are perhaps the most important assets for any pharmaceutical company."

31. The SEC's asset freeze encompasses the personal bank accounts of Reven's principals and officers (and all corporate funds), and the SEC has opposed release of all but a limited amount of the personal funds held by Reven's principals to be used to

support the maintenance of Reven's intellectual property rights, further exacerbating Reven's loss of its property rights.

32. But the SEC, seemingly heedless of the devastating effect its actions were inflicting on Reven's assets and corporate valuation, insists on its asset freeze demands, relying on the extraordinary power granted to the SEC under Section 21(d) of the Exchange Act, under which "[c]ourts have not required the SEC to show irreparable injury" to obtain injunctive orders. SEC persisted by seeking and obtaining a preliminary injunction that continued the asset freeze—directly and foreseeably causing precisely the loss of Reven's assets that Reven had sought to avoid.

33. On November 10, 2023, Reven's Chief Strategy Officer filed another declaration informing the SEC and the district court that the SEC's asset freeze was continuing to cause more losses of Reven's patent and other intellectual property rights, including:

- "Reven's Brazilian patent counsel has informed Reven that a 3rd Annuity Fee and a Restoration Fee must be paid on or before December 19, 2023 or else Reven risks losing the relevant patent protection in Brazil."
- "Reven has a patent application pending in Israel, and a publication fee of $2,000 is due on November 9, 2023."
- "[S]ince June 12, 2023, other Reven patents in the United States and Europe have been abandoned; I understand that one in the United States would require a Petition to Revive to be filed by December 7, 2023, and another claim in Europe with a deadline of November 10, 2023 is not extendable and will result in thousands of dollars in fees whether the claim is abandoned or not."
- "I am aware of other patents requiring immediate assistance as well, including applications in Taiwan and Singapore. I am also aware that other patents require maintenance by March 2024 or face abandonment. Reven's IP Coordinator, Linda Austin, has informed me that Reven has many patents in its patent portfolio

> requiring nominal amounts to keep them alive, but the asset freeze is preventing Reven from raising funds and making the payments. I believe that the list of patents requiring additional nominal fees to continue application and maintenance will only grow as time goes on."

34. The SEC responded succinctly: "[Reven's] claim that they are harmed by the asset freeze is wholly irrelevant." Meanwhile, every day that the asset freeze remained in place, Reven's "existing investors"—whom the SEC first claimed to be protecting but has now forsaken—saw the value of their investment further threatened and diminished as the Company found itself unable to preserve and protect its intellectual property and critical clinical data.

35. On March 29, 2024, the district court granted the SEC's Motion for Preliminary Injunction, adopting the SEC's argument that the continued destruction of Reven's property rights was irrelevant, and that "an asset freeze is usually appropriate to facilitate enforcement of any remedy that might be ordered in the event a violation is established on summary judgment or at trial."

36. Two weeks later, on April 12, 2024, Reven, in a last-ditch effort to save the company's remaining assets, moved to lift the asset freeze, which was "threatening Reven's ability to maintain its existing intellectual property and other assets, wasting valuable patent life, and blocking Reven's ability to move forward with critical drug trials and a possible public offering, thereby decimating (not preserving) investor assets." In that motion Reven continued to ask for relief to protect its most valuable asset, its intellectual property, including that of its groundbreaking drug, Rejuveinix, stating that "[t]he ability to develop, manufacture, and get approval to market drugs such

as [Rejuveinix] requires a significant amount of institutional knowledge and exacting standards," and that "[p]rotecting this work requires both the application for, and maintenance of, patent rights in the United States and abroad—which in turn requires financial outlay."

37. But the SEC refused to unfreeze Reven's assets, and on May 17, 2024, the district court denied Reven's motion to unfreeze assets—exacerbating the permanent loss of Reven's intellectual property, including patents. Reven has appealed the preliminary injunction, but the SEC's asset freeze remains in place—and continues to devour Reven's remaining assets.

By Destroying Reven's Property, SEC Actions Have Ironically Destroyed the Investor Interests It Purports to Protect

38. SEC has been unwilling to work with or allow Reven's principals to carry out a proposed plan for meeting Reven's financial needs during the enforcement proceeding, making sure the patents were all adequately maintained and those in prosecution could continue to progress. Reven, for example, received budgets from its two patent firms totaling $542,000 to preserve its intellectual property but the SEC rejected that proposal.

39. The SEC's asset freeze is accomplishing precisely the opposite of the statutory purpose for this extraordinary remedy—because, without access to corporate or personal funds, Reven and its officers cannot maintain its patent portfolio or advance its pharmaceutical candidates, hindering Reven's ability to grow as a company and act in the best interest of its investors.

CLAIM FOR RELIEF

SEC's Taking of Private Property Without Payment of Just Compensation is in Violation of the Fifth Amendment

40. Reven realleges and incorporates all the preceding allegations of this Complaint, and further alleges as follows.

41. The Fifth Amendment of the Constitution of the United States requires the Government to pay just compensation for the property it takes for public use. The Fifth Amendment's guarantee that private property shall not be taken for public use without just compensation was designed to bar the Government from forcing some people alone to bear public burdens that, in all fairness and justice, should be borne by the public as a whole.

42. At all material times, Reven was the owner of several types of intangible property rights, including but not limited to funds held in bank accounts and depositories; accounts receivable; patents and patent applications; trade secrets; clinical data and results of clinical trials of pharmaceutical products, including Rejuveinix; corporate structure and work force; corporate goodwill and ongoing business and government regulatory relationships.

43. At all material times, Reven was the owner of real and personal property, including but not limited to office buildings, furniture, fixtures, and equipment.

44. SEC, an authorized agency of the United States Government, as described in this Complaint, has directly, intentionally, and foreseeably deprived Reven of all beneficial use of its intangible and tangible property from January 3, 2023, to the

present—a taking of private property for public use without just compensation, in violation of the Fifth Amendment.

45. As a direct and proximate result of the United States' failure to pay just compensation to Reven for the property taken, as the Fifth Amendment requires, Reven has been damaged in the amount of the fair market value of the property taken, together with compound interest from the date of taking, according to proof of damages.

46. As an additional direct and proximate result of the Government's taking of their property rights without just compensation, Reven has had to retain the services of counsel to prosecute this action, incurring attorney's fees, expert witness fees, and costs and expenses of litigation, which Reven will seek to recover under the Uniform Relocation Act.

RELIEF REQUESTED

Reven therefore requests relief:

1. A money judgment equal to the fair market value of the property rights taken, together with compound interest, according to proof at trial;

2. Reasonable attorneys' fees, the expenses of appraisers and other expert witnesses, together with other costs and expenses reasonably required to prosecute this action, as provided in the Uniform Relocation Act;

3. Costs of suit; and,

4. Any other or further relief as the Court may deem just.

Respectfully submitted,

August 30, 2024

s/ Nancie G. Marzulla
Nancie G. Marzulla
Roger J. Marzulla
Marzulla Law, LLC
1150 Connecticut Avenue, NW
Suite 1050
Washington, DC 20036
(202) 822-6760
nancie@marzulla.com
roger@marzulla.com

Counsel for Reven