IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
JUDGE DANIEL D. DOMENICO

CIVIL ACTION NO. 1:22-cv-03181-DDD-KLM

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

REVEN HOLDINGS, INC. d/b/a Reven Pharmaceuticals;
REVEN PHARMACEUTICALS, INC.;
BRIAN D. DENOMME;
PETER B. LANGE; and
MICHAEL A. VOLK,

Defendants, and

REVEN, LLC;
REVEN IP HOLDCO, LLC;
REVEN ONCOLOGY LICENSING, LLC; and
HEALTH ANALYTICS AND RESEARCH SERVICES, LLC,

Relief Defendants.

DEFENDANTS' REPLY IN FURTHER SUPPORT OF MOTION TO SUPPLEMENT OPPOSITION TO SEC'S MOTION FOR PRELIMINARY INJUNCTION

Defendants seek to submit updated evidence demonstrating that the asset freeze in this matter is causing ongoing harm to Reven – ***and its existing investors*** – by, among other things, putting the Company's intellectual property at risk and causing Reven to lose critical trial data. In response, the SEC brazenly suggests that such harm is "***wholly irrelevant*** to whether the Court should grant a preliminary

injunction or [continuing] asset freeze." Opp'n at 1 (emphasis added). The SEC's position in this regard is as chilling as it is misguided.[1]

It was nearly a year ago that the SEC persuaded this Court on an *ex parte* basis to enter a temporary restraining order (ECF No. 28) that included a wide-ranging corporate and personal asset freeze, premised on the theory that Defendants had "bilked investors out of over $8.8 million" and "misappropriated" these funds for their own personal use (ECF No. 3 at 1). At the time, the SEC urged the Court to enter the TRO and asset freeze to "***protect existing investors***" of Reven. *Id.* at 37 (emphasis added).

As Defendants have now demonstrated (ECF No. 96), the case the SEC put forward behind closed doors and without adversarial scrutiny does not hold up, and in fact, bears little resemblance to reality. Expert accounting analysis confirms that there has been no misappropriation (*id.* at 13–19), and the evidence shows that the meritless accusations on which the asset freeze was based came from unsubstantiated allegations by self-interested sources with clear ulterior motives who should not be credited (*id.* at 9–12). In the meantime, with every day that the TRO and asset freeze remain in place, Reven's "existing investors" – whom the SEC initially claimed to be protecting but has now forsaken – are seeing the value of their investment further threatened and diminished as the Company is unable to preserve and protect its intellectual property and critical clinical data. Far from preserving

[1] References to "Opp'n at __" and/or the "Opposition" are to the SEC's recently filed Opposition to Defendants' Motion to Supplement, ECF No. 114. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the SEC's Opposition.

the status quo, the TRO and asset freeze are destroying Reven's most valuable assets. Nothing could be more relevant to the issue currently before the Court.

For these reasons, along with those previously set forth, Defendants' Motion to Supplement should be granted, the SEC's motion for a preliminary injunction should be denied, and the pending TRO and asset freeze should be dissolved. *See*, *e.g.*, *SEC v. Digital Licensing Inc.*, Case No. 2:23-cv-00482-RJS-DBP, ECF Nos. 214-15 (D. Utah Nov. 30, 2023) (dissolving SEC's *ex parte* TRO and asset freeze as "improvidently issued").

Dated: December 5, 2023

Respectfully Submitted,

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Attorneys for Defendants and Relief Defendants

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that December 5, 2023, I electronically filed the foregoing **DEFENDANTS' REPLY IN FURTHER SUPPORT OF MOTION TO SUPPLEMENT OPPOSITION TO SEC'S MOTION FOR PRELIMINARY INJUNCTION** with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following email addresses:

- **Sharan Lieberman**
  liebermans@sec.gov

- **Kenneth Edward Stalzer**
  stalzerk@sec.gov

s/ Katherine A. Preston