

# ACCOUNTABLE<sup>.US</sup>

January 29, 2021

Moderna, Inc. Global Headquarters  
200 Technology Square  
Cambridge, MA 02139

Dear Mr. Bancel,

As President and founder of Accountable.US, a non-profit non-partisan public advocate and watchdog organization that monitors public corruption, I am writing to request that the details of all 10b5-1 trading plans executed upon, implemented, or adjusted by any employee or director of Moderna since December 1, 2019 be released for public review. And furthermore, that Moderna immediately freeze all trading and exercising of Moderna stock options by senior executives and directors until the Securities and Exchange Commission (SEC) can complete an investigation and has an opportunity to release updated guidance regarding automatic trading plans for companies receiving taxpayer funding and advance purchase guarantees.

On June 1, 2020, Accountable.US wrote to the SEC to alert them of potential violations of U.S. securities laws committed by senior leaders of Moderna, Inc. We called for an investigation following the [May 12, 2020 announcement](#) that Moderna had received fast track designation for its mRNA vaccine, the subsequent increase in Moderna's share price, and the well-timed trades by top executives who [earned millions in profits from exercising stock options and selling Moderna shares immediately thereafter](#). We have not received any response regarding the state of the investigation, if one was ever launched.

Since we called for the SEC to investigate, insider stock sales by executives at Moderna and other drug companies producing COVID-19 vaccines has only increased, and evidence has grown regarding the problematic, and potentially criminal, use of 10b5-1 trading plans, which are intended to avoid insider trading on the basis of material nonpublic information in violation of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and its implementing regulation, Rule 10b-5.

In just one recent example, on November 16th, the day Moderna [announced initial vaccine trial results](#), your Chief Medical Officer Tal Zaks [exercised and sold 15,000 shares of your company's stock](#) for a profit of more than \$1.2 million. This trade was executed under a 10b5-1 trading plan, however, Zaks' trading plan was adjusted on March 13, 2020, [11 days after Moderna executives met with President Trump](#) to discuss vaccine development and a time when Zaks and other top executives almost certainly had nonpublic information related to their vaccine timeline and potential government investment. According to [CNN](#) ("Moderna unveiled encouraging coronavirus vaccine results. Then top execs dumped nearly \$30 million of stock"), these sales and others by top executives "were executed under 10b5-1 trading plans that were established in advance," but no explanation was given regarding advance knowledge of the vaccine development timeline.

In another recent example, the Chairman and CEO of Pfizer, Albert Bourla, [sold 132,508 shares of Pfizer stock](#) on [the same day that the company announced](#) that their vaccine was safe and effective. According to [a report from NPR](#), a Pfizer spokesperson stated that the company “did not believe” that their announcement included “material nonpublic information” and also claimed that “a stock plan administrator” had vetted the implementation of their CEO's 10b5-1 plan. However, [Bourla adopted his 10b5-1 trading plan on August 19, 2020](#), well beyond the point at which he would have a good idea of his company's likely vaccine announcement timing. The November 9, 2020 stock dump was also Bourla's first public sale of stock since 2016, further raising suspicions.

These examples, and [other egregious](#) stock profiteering by drug company executives, are almost certainly what motivated SEC Chairman Jay Clayton to take the fairly unprecedented step on November 17, 2020, of [calling on drug companies to enact a “cooling off period” on their insider stock sale plans](#) and make other changes to avoid potential insider trading and make sure companies are acting with “transparency and rigorous governance.”

We have scant information on the 10b5-1 trading plans of drug company executives - for example, while some [include](#) the date they were amended, others [omit](#) even that basic detail - and the public has a right to the full details of trading plans. Because while it's unseemly enough for drug company executives to be making massive personal fortunes dumping their stocks after pumping share prices up with announcements that would have never been possible without taxpayer investments, it would be far worse – and very likely criminal – if it turns out that automatic stock sale plans were adjusted to maximize profits based on information that the public didn't have access to.

We look forward to hearing back from you with full details of you and your team's 10b5-1 trading plans. And we are hopeful that you will do the right thing and freeze insider trading of Moderna shares and options until an investigation can be completed and the Biden administration has an opportunity to issue guidance and taxpayer protections.

Sincerely,



Kyle Herrig

President, Accountable.US