

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

██████████ individually and on
behalf of all others similarly situated,

Plaintiff,

v.

ZAFGEN, INC. and THOMAS E. HUGHES,

Defendants.

Case No. _____

CLASS ACTION

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

DEMAND FOR JURY TRIAL

Plaintiff ██████████ (“Plaintiff”), by and through his attorneys, alleges upon personal knowledge as to himself and its own acts, and upon information and belief as to all other matters, based upon the investigation conducted by and through his attorneys, which included, among other things, a review of documents filed by Defendants with the United States Securities and Exchange Commission (the “SEC”), news reports, press releases issued by Defendants, and other publicly available documents, as follows:

NATURE AND SUMMARY OF THE ACTION

1. This is a federal securities class action on behalf of all investors who purchased or otherwise acquired common stock of Defendant Zafgen, Inc. (“Zafgen,” or the “Company”) between January 12, 2015 through October 16, 2015, inclusive (the “Class Period”). This action is brought on behalf of the Class for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5.

2. Zafgen is a small pharmaceutical company whose valuation is closely tied to the value of a single drug—an anti-obesity drug called beloranib. On January 12, 2015, Zafgen filed

a Form S-1 in connection with a follow-on offering. In that filing, Zafgen described six previously completed clinical trials of beloranib and disclosed that “there were two serious thrombotic adverse events” in one of the Phase 2 trials of beloranib (the ZAF-201 trial). Until October 16, 2015, Zafgen had never disclosed any other thrombotic adverse events related to beloranib.

3. In September 2015, there was heavy selling by insiders, including the Company’s Chief Executive Officer (Defendant Thomas E. Hughes), Chief Medical Officer, and Chief Commercial Officer. Then, beginning on October 12, 2015, Zafgen shares plummeted. Between the opening of trading on October 12, 2015 and the close of trading on October 13, 2015, Zafgen shares dropped from \$34.76/share to \$15.75/share—a 54.7% drop.

4. The only publicly available news that appeared to contribute to the drop was a report that the Company had cancelled an upcoming scheduled appearance at an RBC Capital Conference. As the Boston Globe subsequently reported, however, rumors of a patient death in an ongoing Phase 3 beloranib study had begun circulating in the marketplace as early as October 13, 2015.

5. On October 14, 2015, Zafgen confirmed that a patient in its Phase 3 trial of beloranib had died. Zafgen failed to disclose that the patient was receiving beloranib—*i.e.*, not a placebo—and failed to disclose anything about thrombotic events in prior clinical trials.

6. The Company’s stock price rose on this partial, misleading disclosure. After trading as low as \$10.90/share, Zafgen stock closed on October 14, 2015 at \$19.50 per share. The stock continued to trade up on October 15, 2015, as high as \$22.15/share and closing at \$21.02/share.

7. Late in the day on October 15, 2015, however, the Food and Drug Administration (“FDA”) informed Zafgen that beloranib has been placed on partial clinical hold. This forced Zafgen to make corrective disclosures on October 16, 2015, including that: (i) the patient who died was receiving beloranib; and (ii) there had been **four** thrombotic adverse events in prior clinical studies of beloranib—two more than previously reported—as well as two additional, previously undisclosed thrombotic events in ongoing studies, for a total of six thrombotic events out of 400 patients receiving beloranib compared to **zero** thrombotic events in the approximately 150 patients treated with a placebo.

8. The Company’s stock dropped sharply after these corrective disclosures. After closing at \$21.02/share on October 15, 2015, Zafgen stock closed at \$10.36/share on October 16, 2015—a 50.7% drop.

JURISDICTION AND VENUE

9. The federal law claims asserted herein arise under §§ 10(b) and 20(a) of the Exchange Act, 15 U.S.C. § 78j(b) and § 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5, as well as under the common law.

10. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and § 27 of the Exchange Act, 15 U.S.C. § 78aa.

11. This Court has jurisdiction over the Defendants named herein because Defendants sufficient minimum contacts with this District so as to render the exercise of jurisdiction by the District Court permissible under traditional notions of fair play and substantial justice.

12. Venue is proper in this District pursuant to § 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b), as Zafgen has its principal executive offices located in this District and conducts substantial business therein.

13. In connection with the acts, omissions, conduct and other wrongs in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce including but not limited to the United States mail, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

14. Plaintiff [REDACTED] acquired and held shares of the Company at artificially inflated prices during the class period, as set forth in the accompanying certification, and has been damaged by the revelation of Zafgen's material misrepresentations and material omissions.

15. Defendant Zafgen, Inc., is a Delaware corporation with its principal place of business in Boston, Massachusetts. Zafgen trades on the NASDAQ stock exchange under the ticker symbol "ZFGN," and describes itself as "a biopharmaceutical company dedicated to significantly improving the health and well-being of patients affected by obesity and complex metabolic disorders."

16. Defendant Thomas E. Hughes is Zafgen's Chief Executive Officer.

SUBSTANTIVE ALLEGATIONS

A. Background

17. Zafgen was founded in 2005 to explore new approaches to obesity therapeutics. The Company went public in June 2014.

18. Like many small pharmaceutical companies, Zafgen's valuation is closely tied to the value of a single drug—in Zafgen's case, an obesity drug called beloranib. Zafgen's most recent Form 10-K describes beloranib as "our lead product candidate ... a novel, first-in-class, twice-weekly subcutaneous, or SC, injection being developed for the treatment of multiple indications, including severe obesity in two rare diseases, Prader-Willi syndrome, or PWS, and

hypothalamic injury-associated obesity, or HIAO, including craniopharyngioma-associated obesity; and severe obesity in the general population.” Beloranib is currently in the midst of Phase 3 clinical trials in connection with the FDA approval process.

19. In past filings with the SEC, Zafgen had disclosed two serious thrombotic adverse events in previous clinical trials of beloranib.

20. In its Form S-1 that Zafgen filed on April 18, 2014 in connection with its initial public offering, in the section discussing its 12-week Phase 2a proof-of-concept clinical trial of beloranib (the ZAF-201 study), Zafgen disclosed:

There were no deaths or any SAEs deemed to be possibly, probably, or definitely related to beloranib, although there were **two serious thrombotic adverse events** which, while not attributed to beloranib treatment, may point to the utility of assessment of prior history of thrombotic events in patients enrolled in subsequent trials and added vigilance for AEs related to blood clotting during future clinical trials.

(emphasis added).

21. The Form S-1 filed on April 18, 2014 described five already-completed clinical trials of beloranib: ZAF-001, ZAF-003, ZAF-101, ZAF-201, and ZAF-211. Since then, the Company has completed one other clinical trial of beloranib: ZAF-221, the results of which were first disclosed on January 12, 2015.

22. Defendant Hughes signed the Form S-1 filed on April 18, 2014 and the amended Form S-1s filed on April 28, May 2, June 2, and June 5 of 2014.

23. The statement quoted above—describing two serious thrombotic adverse events in the ZAF-201 trial—was repeated verbatim in the following subsequent SEC filings by Zafgen related to Zafgen’s IPO:

- a. Form S-1/A filed on April 28, 2014;
- b. Form S-1/A filed on May 2, 2014;

- c. Form S-1/A filed on June 2, 2014;
- d. Form S-1/A filed on June 5, 2014; and
- e. Form 424B4 filed on June 19, 2014.

24. Zafgen again repeated this statement in filings made in connection with a follow-on public offering in January 2015. In the Form S-1 that Zafgen filed on January 12, 2015 in the section discussing the ZAF-201 study, Zafgen made the same disclosure:

There were no deaths or any SAEs deemed to be possibly, probably, or definitely related to beloranib, although there were **two serious thrombotic adverse events** which, while not attributed to beloranib treatment, may point to the utility of assessment of prior history of thrombotic events in patients enrolled in subsequent trials and added vigilance for AEs related to blood clotting during future clinical trials.

(emphasis added)

25. The Form S-1 filed on January 12, 2015 described six already-completed clinical trials of beloranib: ZAF-001, ZAF-003, ZAF-101, ZAF-201, ZAF-211, and ZAF-221.

26. Defendant Hughes signed the Form S-1 filed by Zafgen on January 12, 2015 and the amended Form S-1 filed on January 16, 2015.

27. The statement quoted above—describing two serious thrombotic adverse events in the ZAF-201 trial—was repeated verbatim in the following subsequent filings by Zafgen:

- a. Form S-1/A filed on January 16, 2015; and
- b. Form 424B filed on January 23, 2015.

28. Most recently, the statement quoted above—describing two serious thrombotic adverse events in the ZAF-201 trial—was repeated verbatim in the Form 10-K filed by Zafgen on March 25, 2015, which was signed by Defendant Hughes.

29. Zafgen has not reported completing any new clinical trials since its Form 10-K—referencing six already-completed trials—was filed in March 2015. Prior to October 16, 2015,

the Company had not disclosed any thrombotic adverse events related to beloranib other than the two events in the ZAF-201 trial.

B. Someone Leaks Bad News About Beloranib

30. On October 12, 2015, Zafgen shares suddenly dropped sharply—opening at \$34.76/share and closing at \$22.15/share. Zafgen shares continued their slide on October 13, 2015. After opening at \$22.17/share, the stock closed at \$15.75/share.

31. The only publicly available news that appeared to contribute to the drop was a report that the Company had cancelled an upcoming scheduled appearance at an RBC Capital Conference.

32. As the Boston Globe reported on October 14, 2015, however, rumors of a patient death in the beloranib study were circulating as early as October 13, 2015. As first reported by the Globe, on October 13, 2015 at 3:35 pm, a commenter on a Yahoo! Finance message board wrote “What type of horrific safety issue with Beloranib? Patient died, but can be not treatment related...Prepare for the worst bomb...Just let me know...” The Globe’s report provided a screenshot of that post:

The screenshot shows the Yahoo! Finance website interface. At the top, there's a search bar and navigation links for 'Sign In', 'Mail', and 'Settings'. Below that, a list of stock tickers with their percentage changes is visible. The main content area is titled 'Zafgen, Inc. Message Board'. It includes a navigation bar with 'GO', 'Summary', 'Historical Prices', 'Interactive Chart', 'Headlines', and 'Market Pulse'. A search bar is also present. The main message board area shows a topic titled 'What type of horrific safety issue with Beloranib?' with a sub-header 'Patient died, but can be not treatment related...Prepare for the worst bomb...Just let me know...'. There are options for 'New Topic', 'Reply', and 'More Links'. The 'More Links' section includes links for Summary, Historical Prices, Interactive Chart, Headlines, Market Pulse, Competitors, Key Statistics, Insider Transactions, Income Statement, Balance Sheet, Cashflow, and Technical Analysis. On the right side, there's a 'Top Stories' section with several news headlines. At the bottom right, there's a promotional banner for 'Crush Goblins. Not Candy.' featuring a character from the game 'Hearthstone'.

33. Also on October 13, 2015, the pharmaceutical-industry news site *Fierce Biotech* reported that “[r]umors about potential trouble with the biotech’s lead drug, beloranib, provided all the dry tinder needed to heat up speculation.”

C. Zafgen Tries To Calm The Panic With A Misleading Partial Disclosure

34. At approximately 11:59 am on October 14, 2015 (the “October 14 Statement”), Zafgen issued a press release, stating, in relevant part, as follows:

Zafgen Issues Statement

BOSTON, Oct. 14, 2015 (GLOBE NEWSWIRE) -- Zafgen, Inc. (Nasdaq:ZFGN), a biopharmaceutical company dedicated to significantly improving the health and well-being of patients affected by obesity and complex metabolic disorders, today issued the following statement:

“Zafgen recently learned of a patient death which occurred in the Company’s ongoing double-blind, randomized, placebo-controlled Phase 3 bestPWS study of beloranib in Prader-Willi Syndrome, a rare genetic disorder with a high rate of mortality linked to obesity and its co-morbidities. The cause of death remains unknown at this time. According to normal practice, the event was reported to the U.S. Food and Drug Administration, at which point the Agency initiated a discussion with the Company. The Company is working with the Agency to

expedite a review and understanding of this event, and to determine implications of the event on the conduct of the trial, and anticipates providing an update as its discussions with the Agency progress. The thoughts of the Company are with the family of the patient at this time. Zafgen remains committed to ensuring the safety of all patients enrolled in its studies.”

35. Notably, the Company’s October 14 Statement failed to disclose that the patient who died was receiving beloranib and was not in the control group that was receiving a placebo. The Company’s October 14 Statement also failed to disclose any information regarding past thrombotic adverse events.

36. The October 14 Statement caused a sharp increase in the Company’s stock price. After trading as low as \$10.90/share, Zafgen stock closed on October 14, 2015 at \$19.50 per share. The stock continued to trade up on October 15, 2015, as high as \$22.15/share and closing at \$21.02/share.

D. FDA Action Forces The Company To Reveal The Truth

37. On October 16, 2015, the Company issued a second press release (the “October 16 Statement”). That release stated, in relevant part, as follows:

**ZAFGEN ANNOUNCES PARTIAL CLINICAL HOLD AFFECTING
BELORANIB TRIALS**

INVESTOR CONFERENCE CALL TODAY, OCTOBER 16TH, AT 8:30 A.M.
E.T.

BOSTON, Oct. 16, 2015 (GLOBE NEWSWIRE) -- Zafgen, Inc. (Nasdaq:ZFGN), a biopharmaceutical company dedicated to significantly improving the health and well-being of patients affected by obesity and complex metabolic disorders, today announced that it received verbal notice late yesterday from the U.S. Food and Drug Administration (FDA) that beloranib has been placed on partial clinical hold. This partial clinical hold impacts ongoing or planned clinical trials, including ZAF-311 and ZAF-312. A partial clinical hold is an order that the FDA issues to delay or suspend part of a sponsor’s clinical work requested under its investigational new drug (IND) application.

As previously reported, Zafgen learned of a death in the ongoing Phase 3 bestPWS study (ZAF-311) of beloranib in Prader-Willi Syndrome (PWS). While the cause of death remains unknown, the patient’s treatment assignment has been

unblinded and it is now known that the patient was receiving beloranib. Due to previously reported thromboembolic events in ongoing and prior clinical trials of beloranib and the unknown nature of the death, the FDA gave verbal notice of a partial clinical hold to institute measures to ensure patient safety. Patients currently participating in the ZAF-311 study will be screened for existing thrombotic disease prior to receiving further study drug and regularly monitored through the completion of the study. Given that the study is near complete, at this time, the Company expects to report top-line results in the first quarter of 2016. Similar screening and monitoring is being considered for the ongoing Phase 2b study (ZAF-203) in patients with severe obesity complicated by type 2 diabetes. The Company now anticipates that the PWS Phase 3 clinical trial, ZAF-312, will be initiated after ZAF-311 is completed and a full assessment of the safety and efficacy of beloranib is performed by the FDA.

“Patient safety is our top priority, and we will work closely with the FDA to implement these measures to support the further development of beloranib,” said Dr. Thomas Hughes, Chief Executive Officer of Zafgen.

38. In a conference call held on October 16, 2015 (the “October 16 Call”), Zafgen’s Chief Medical Officer, Dennis Kim, M.D. disclosed that:

In our past clinical trials, we have seen six cases of thrombotic findings of varying severity in beloranib-treated patients including three cases of pulmonary embolism/deep vein thrombosis or DVT and one case of DVT alone. The six events were seen in approximately 400 patients treated with Beloranib for a period up to one year of treatment. We’ve had no thrombotic events in the approximately 150 patients treated with placebo. In each instance, due to existing risk factors that predispose patients to these events, the study investigators have deemed these events unrelated, or possibly related, to study drugs in the clinical trials.

39. In the question-and-answer segment of the call, Dr. Kim was asked “The six cases that you mentioned before, those are all in prior studies, is that correct?” He replied, “There are actually four cases in prior studies and two cases in currently ongoing trials. One is from study 311 and another is from study 203.”

40. In the wake of these corrective disclosures, the Company’s share price plummeted. After closing at \$21.02/share on October 15, 2015, Zafgen stock closed at \$10.36/share on October 16, 2015.

41. The Company was notably evasive about the date on which it learned of the patient death. On the October 16, 2015 call, Dr. Hughes, the CEO, was asked exactly when the Company learned of the patient death. He avoided the question, stating:

Patient confidentiality always matters and just be clear, we do not, nor should we ever find out the actual identity of this patient or of their family who is still dealing with this horrible event. So, for patient confidentiality, in order to keep people from tracking into it, we can't provide a specific date, but it was about two weeks ago.

E. Heavy Insider Selling

42. The revelations described above followed closely on the heels of heavy selling by insiders in September 2015. The following chart, taken from Morningstar, captures all transactions by Zafgen officers in that month:

DATE	NAME/TITLE	SHARES	TRANSACTION	VALUE
September 23, 2015	Thomas E. Hughes, Chief Executive Officer and Director	10,500	Exercise	\$7,875
September 18, 2015	Thomas E. Hughes, Chief Executive Officer and Director	23,126	Exercise	\$56,658
September 18, 2015	Thomas E. Hughes, Chief Executive Officer and Director	23,126	Sale at \$45 per share.	\$1,040,670
September 17, 2015	Thomas E. Hughes, Chief Executive Officer and Director	22,500	Sale at \$40 per share.	\$900,000
September 17, 2015	Thomas E. Hughes, Chief Executive Officer and Director	4,874	Exercise	\$11,941
September 17, 2015	Alicia Secor, Chief Commercial Officer	1,256	Sale at \$41.05 per share.	\$51,558
September 17, 2015	Alicia Secor, Chief Commercial Officer	25,000	Exercise	\$241,750
September 17, 2015	Alicia Secor, Chief Commercial Officer	25,000	Sale at \$41.05 per share.	\$1,026,250
September 17, 2015	Dennis D. Kim, Chief Medical Officer	9,142	Exercise	\$14,352
September 17, 2015	Dennis D. Kim, Chief Medical Officer	9,142	Sale at \$40 per share.	\$365,680

September 15, 2015	Dennis D. Kim, Chief Medical Officer	30,265	Exercise	\$47,516
September 15, 2015	Dennis D. Kim, Chief Medical Officer	30,265	Sale at \$40 per share.	\$1,210,600
September 14, 2015	Dennis D. Kim, Chief Medical Officer	593	Sale at \$40 per share.	\$23,720
September 14, 2015	Dennis D. Kim, Chief Medical Officer	593	Exercise	\$931

43. After his sales on September 14, 2015, Dr. Kim, the Chief Medical Officer, owned 0 shares of Zafgen.

44. After her sales on September 17, 2015, Ms. Secor, the Chief Commercial Officer, owned 0 shares of Zafgen.

45. After his sale of 10,500 shares on September 18, 2015, Dr. Hughes, the Chief Executive Officer, owned just 11,320 shares of Zafgen.

CLASS ACTION ALLEGATIONS

46. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of a Class of all persons and entities who purchased or otherwise acquired Zafgen common stock between January 12, 2015 and October 16, 2015, inclusive. Excluded from the Class are Zafgen and its officers and directors, as well as their families and affiliates.

47. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

48. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- a. Whether Defendants violated the Exchange Act;

- b. Whether Defendants omitted and/or misrepresented material facts;
- c. Whether Defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- d. Whether Defendants knew or recklessly disregarded that their statements were false and misleading;
- e. Whether the price of Zafgen stock was artificially inflated; and
- f. The extent of damage sustained by Class members and the appropriate measure of damages.

49. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct alleged herein.

50. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests that conflict with those of the Class.

51. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

FRAUD ON THE MARKET

52. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine that, among other things:

- a. Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- b. The omissions and misrepresentations were material;
- c. The Company's common stock traded in efficient markets;

- d. The misrepresentations alleged herein would tend to induce a reasonable investor to misjudge the value of the Company's common stock; and
- e. Plaintiff and other members of the Class purchased Zafgen common stock between the time Defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

53. At all relevant times, the markets for Zafgen common stock were efficient for the following reasons, among others: (i) Zafgen filed periodic public reports with the SEC; and (ii) Zafgen regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire serves and through other wide-ranging public disclosures such as communications with the financial press, securities analysts, and other similar reporting services. Plaintiff and the Class relied on the price of Zafgen common stock, which reflected all information in the market, including the misstatements by Defendants.

NO SAFE HARBOR

54. The statutory safe harbor provided for forward-looking statements under certain statements does not apply to any of the allegedly false statements pleaded in this Complaint. The specific statements pleaded herein were not forward-looking statements.

55. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements.

LOSS CAUSATION

56. On October 16, 2015, before the markets opened, Zafgen disclosed that "the patient [who had died] was receiving beloranib," a highly material fact that had been

misleadingly omitted from its public statement on October 14, 2015. Zafgen also disclosed that “[i]n ... past clinical trials, [it had] seen six cases of thrombotic findings of varying severity in beloranib-treated patients including three cases of pulmonary embolism/deep vein thrombosis or DVT and one case of DVT alone. The six events were seen in approximately 400 patients treated with Beloranib for a period up to one year of treatment. [There were] no thrombotic events in the approximately 150 patients treated with placebo.” Zafgen further disclosed that four of these thrombotic events had occurred in previously completed clinical trials—two more than had been previously disclosed.

57. Between the close of trading on October 15, 2015 and the close of trading on October 16, 2015, Zafgen shares declined by \$10.66/share or 50.7%. This decline is directly attributable to the October 16, 2015 corrective disclosures.

CAUSES OF ACTION

COUNT I

Violation of § 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder (Against All Defendants)

58. Plaintiff repeats and realleges each and every allegation contained above as it fully set forth herein.

59. During the Class Period, Defendants disseminated or approved the false statements specified above, which it knew or deliberately disregarded as misleading in that it contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

60. Defendants violated § 10(b) of the Exchange Act and Rule 10b-5 in that it (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and

(iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon those who purchased or otherwise acquired Zafgen securities during the Class Period.

61. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Zafgen common stock. Plaintiff and the Class would not have purchased Zafgen stock at the price paid, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

COUNT II
Violation of § 20(a) of the Exchange Act
(Against Thomas E. Hughes)

62. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

63. Hughes acted as a controlling person of Zafgen within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of his high-level position at the Company, Hughes had the power and authority to cause or prevent Zafgen from engaging in the wrongful conduct complained of herein. Hughes signed and/or was provided with or had unlimited access to the statements alleged by Plaintiffs to be misleading both prior to and immediately after their publication, and had the ability to prevent the issuance of these materials or to cause them to be corrected so as not to be misleading.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

64. Determining that this action is a proper class action pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Class as defined herein, and a certification of Plaintiff as class representative pursuant to Rule 23 of the Federal Rules of Civil Procedure and appointment of Plaintiff's counsel as Lead Counsel;

65. Awarding compensatory and punitive damages in favor of Plaintiff and the other Class members against Defendants, for all damages sustained as a result of Defendants' wrongdoing, in an amount proven at trial, including pre-judgment and post-judgment interest thereon.

66. Awarding Plaintiff and other members of the Class their costs and expenses in this litigation, including reasonable attorneys' fees and experts' fees and other costs and disbursements; and

67. Awarding Plaintiff and the other Class members such other relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury in this action of all issues so triable.

Dated: October 21, 2015