

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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GÜNTER BLOBEL,	:	
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Plaintiff,	:	INDEX NO. 656566/2016
	:	
-against-	:	
	:	
CHRISTIAN KOPFLI, KAMBIZ SHEKDAR,	:	
and CHROMOCELL CORPORATION,	:	
	:	
Defendant.	:	
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COMPLAINT

Plaintiff Günter Blobel, by and through his attorneys, Dechert LLP, hereby files this Complaint against Defendants Christian Kopfli, Kambiz Shekdar, and Chromocell Corporation (“Chromocell”) seeking specific performance and damages for Defendants’ breach of an agreement to transfer shares of Chromocell. In the alternative, Dr. Blobel seeks an equitable trust over the Chromocell shares, rescission of his assignment of patent rights to the Defendants and damages for unjust enrichment, promissory estoppel, equitable estoppel, and such other relief as requested below and as the Court deems appropriate.

INTRODUCTION

1. This action is about Defendants’ efforts to deny Dr. Günter Blobel, a prominent scientist and Nobel Prize laureate, his rightful one-third ownership of Chromocell, a start-up company formed by Dr. Blobel, Mr. Kopfli and Dr. Shekdar (the “Founders”) to commercialize technology developed by Drs. Blobel and Shekdar. At the time the Founders formed Chromocell, Dr. Blobel agreed to accept 3.9% of the Chromocell shares while Mr. Kopfli and Dr. Shekdar divided the balance of the shares, subject to the agreement and expectation that there would be a reallocation as explained below.

2. At the time, Dr. Blobel's employer, Howard Hughes Medical Institute (HHMI), had a policy preventing researchers, such as Dr. Blobel, from obtaining more than a 5% ownership interest in a company. The parties, however, orally agreed that, should HHMI ever revise or terminate its policy regarding equity ownership, they would allocate sufficient shares to Dr. Blobel to make him a one-third owner of Chromocell (the "Share Allocation Agreement"). The Founders discussed that it was expected that HHMI would change this policy and Dr. Blobel would never have agreed to go forward on the basis of the 3.9% allocation without the agreement that he would eventually be an equal shareholder when that became possible.

3. As a result, Dr. Blobel assigned to Chromocell patent rights covering technology developed in his lab, continued to provide expert guidance to Chromocell, generated business for Chromocell using his personal relationships and professional reputation, and made substantial monetary contributions necessary to keep Chromocell afloat.

4. Dr. Blobel's participation, guidance, and financial support—all provided in reliance on the Share Allocation Agreement—were critical to Chromocell throughout the company's existence. It is no exaggeration to say that Chromocell would not exist, at least in the form it does today, without Dr. Blobel's contributions.

5. In short, Dr. Blobel trusted Mr. Kopfli and Dr. Shekdar. That was a mistake. Defendants took advantage of Dr. Blobel, accepting his significant—indeed, existential—contributions to Chromocell, but then, when HHMI revised its policy, they refused to make good on their agreement.

6. In or around 2012, HHMI revised its policy on equity ownership, permitting researchers, including Dr. Blobel, to own up to 50% of the equity of a company. As a result, Dr. Blobel triggered implementation of the Share Allocation Agreement. During the ensuing

discussions and related communications, Mr. Kopfli and Dr. Shekdar effectively admitted the existence of the Share Allocation Agreement, never once disputing its terms. Rather, they continually put Dr. Blobel off by raising various issues related to the manner in which it should be implemented, given purported tax and other issues.

7. After being strung along by Mr. Kopfli and Dr. Shekdar for more than a year, Dr. Blobel insisted that they put implementation of the Share Allocation Agreement in writing. Mr. Kopfli and Dr. Shekdar rejected Dr. Blobel's request and, although they effectively conceded the existence of the Share Allocation Agreement, they refused, and continue to refuse, to honor it.

8. Dr. Blobel now seeks to enforce the Share Allocation Agreement and requests damages for the Defendants' breach of contract. In the alternative, Dr. Blobel requests rescission of his assignment of the Chromovert Patent to Chromocell, and/or a constructive trust over the shares, damages for unjust enrichment, promissory estoppel, and equitable estoppel.

PARTIES

9. Dr. Günter Blobel, M.D., Ph.D., is the John D. Rockefeller, Jr. Professor at Rockefeller University, where he heads the Laboratory of Cell Biology, and an Investigator for HHMI. Dr. Blobel was awarded the Nobel Prize in Medicine in 1999. He is a resident of New York, New York.

10. Christian Kopfli is the Chief Executive Office of Chromocell Corporation. Mr. Kopfli is a member of the New York bar and, on information and belief, a resident of New York, New York. At the time that Chromocell was formed, Mr. Kopfli was a corporate lawyer at the New York law firm of Davis, Polk & Wardwell LLP.

11. Dr. Kambiz Shekdar, Ph.D. is a former student and research assistant of Dr. Blobel. Dr. Shekdar formerly served as the Chief Science Officer of Chromocell Corporation. On information and belief, Dr. Shekdar is a resident of New York, New York.

12. Chromocell Corporation is a Delaware corporation with its principal place of business at 685 U.S. Highway One, North Brunswick, New Jersey.

JURISDICTION AND VENUE

13. This Court has jurisdiction, including, without limitation, because the Defendants are present and doing business in New York, and because Dr. Blobel raises claims arising from conduct and transaction of business taking place in New York, against domiciliaries of New York, resident in New York. CPLR §§ 301, 302.

14. Venue in New York County is proper under CPLR § 503 because Dr. Blobel, Dr. Shekdar, and Mr. Kopfli reside in New York County.

FACTUAL ALLEGATIONS

15. Kambiz Shekdar worked as a graduate student in Dr. Blobel's cell biology laboratory at Rockefeller University from June 1, 1996 to June 1, 2003, while he was pursuing his doctoral degree.

16. In or around 2000, Dr. Blobel and Dr. Shekdar invented "Chromovert," a technology that permitted stable transfection of cultured cells with human cDNAs, tagged with a fluorescent reporter, which could then be isolated using a conventional cell sorter that recognizes different colors. Chromovert allows rapid production of cell lines containing human proteins for cell-based studies as desired target proteins in a cellular environment.

17. Drs. Blobel and Shekdar filed a patent application covering the Chromovert technology on November 22, 2000. The patent, U.S. Patent No. 6,692,965 (the "Chromovert

Patent”) issued on February 17, 2004. Drs. Blobel and Shekdar assigned their right in the Chromovert patent to Rockefeller University.

I. Dr. Shekdar and Mr. Kopfli Approach Dr. Blobel with a Plan to Commercialize Chromovert

18. In or around July 2001, Dr. Shekdar and Mr. Kopfli approached Dr. Blobel with a business proposal. Mr. Kopfli was at that time a corporate attorney at Davis, Polk & Wardwell, LLP and a close personal friend of Dr. Shekdar. Dr. Shekdar and Mr. Kopfli suggested that after Dr. Shekdar completed his doctoral work at Rockefeller University, he, Dr. Blobel, and Mr. Kopfli should create a start-up company to commercialize Chromovert.

19. Dr. Blobel had not previously been involved in any start-up businesses. However, the idea of starting a company to commercialize Chromovert intrigued him. While he had little experience in this type of project, the involvement of Dr. Shekdar, his graduate student, gave him comfort. Because Dr. Shekdar, whom Dr. Blobel trusted, introduced him to Mr. Kopfli, Dr. Blobel also placed his trust in Mr. Kopfli. Dr. Blobel also took comfort in the fact that Mr. Kopfli was a corporate attorney with a prominent New York firm. Dr. Blobel did not consult an attorney other than Mr. Kopfli.

II. The Share Allocation Agreement

20. At the time that Dr. Blobel, Mr. Kopfli, and Dr. Shekdar began discussing their start-up company, HHMI had a policy that permitted its Investigators, including Dr. Blobel, to own no more than 5% of the equity of a start-up company. Dr. Blobel anticipated that HHMI would likely revise the policy to relax this limitation.

21. Accordingly, the Founders agreed that Dr. Blobel would initially receive less than 5% of the equity of Chromocell. They also agreed, however, to the Share Allocation Agreement,

pursuant to which Dr. Blobel would be allocated sufficient additional shares of the company to make him a one-third owner when, as was expected, HHMI revised or terminated its policy.

22. When Chromocell was formed in or around October 2002, the corporate shares were, in fact, distributed with Dr. Blobel receiving approximately 3.9% and Mr. Kopfli, and Dr. Shekdar dividing the balance of the shares equally.

23. By agreeing to allocate additional shares to Dr. Blobel, Mr. Kopfli and Dr. Shekdar intended to induce, and did in fact induce, Dr. Blobel to assign his patent rights to Chromocell, to provide financing to the company, and to allow Chromocell to use his name, reputation, expertise, and relationships in the scientific community and industry to grow the company. In reliance on the Share Allocation Agreement, Dr. Blobel contributed the intellectual property, scientific know-how, access to commercial relationships, and financing that formed Chromocell's foundation and, at times, literally saved the company from extinction. Mr. Kopfli and Dr. Shekdar then declined to compensate Dr. Blobel for his contributions in the manner they had agreed.

III. Dr. Blobel Contributes the Chromovert Patent to Chromocell in Reliance on the Founders' Share Allocation Agreement

24. The first challenge that the Founders faced in forming their start-up company was to obtain rights in the Chromovert Patent, which had been assigned to Rockefeller University.

25. Starting in October 2001, Mr. Kopfli, with Dr. Blobel's assistance, negotiated with Rockefeller University on behalf of the Founders to transfer the rights in the Chromovert Patent from Rockefeller to Dr. Blobel and Dr. Shekdar.

26. On March 19, 2002, Rockefeller University, Dr. Blobel, and Dr. Shekdar entered into a Transfer Agreement pursuant to which Rockefeller University's interest in the Chromovert Patent rights was transferred to Drs. Blobel and Shekdar. Exhibit A to the Transfer Agreement

was the Assignment, in which Rockefeller University assigned Dr. Blobel and Dr. Shekdar each one-half of the right to Chromovert. The Transfer Agreement contained a royalty provision stating that “Inventors shall pay Rockefeller a total of fifteen (15%) percent of all revenues received in the form of royalty or other fees in licensing or assignment of Invention.”

27. Chromocell was formed in or around October 2002.

28. Drs. Blobel and Shekdar then contributed the rights in the Chromovert Patent to Chromocell. On January 8, 2003, Drs. Blobel and Shekdar entered into Assignment Agreements, by which they assigned their interests in the Chromovert Patent to Chromocell. The Assignment of the patent was “for good and valuable consideration.” Dr. Blobel assigned his interest in the Chromovert Patent to Chromocell in reliance on the Share Allocation Agreement, which was a material part of the consideration he received.

29. In connection with the transfer of the Chromovert Patent to Chromocell, Dr. Blobel made a \$7,500 payment of his personal funds to Rockefeller University. A Rockefeller Memorandum dated January 16, 2003 characterizes this payment as “royalties” pursuant to the “Assignment Transfer Agreement” between Dr. Blobel and Rockefeller. Dr. Shekdar did not contribute any payment to Rockefeller University.

IV. Dr. Blobel Invests in Chromocell in Reliance on the Share Allocation Agreement

30. In addition to transferring his interest in the Chromovert Patent to Chromocell and paying for Rockefeller University’s interest in the patent, Dr. Blobel also helped finance Chromocell.

31. In setting up the company, the Founders sought to avoid reliance on venture capital, because they believed that investors would take too much of the value of the company.

32. Dr. Blobel therefore personally contributed \$250,000 to Chromocell as starting capital, pursuant to a convertible note.

33. Neither Dr. Shekdar nor Mr. Kopfli contributed any of their personal funds to the start-up company. Dr. Blobel would not have contributed \$250,000 of his own funds to Chromocell absent the Share Allocation Agreement.

V. Dr. Blobel Provides Guidance and Makes Significant Loans to Chromocell

34. Dr. Blobel continued to contribute crucial scientific and commercial guidance—as well as financial support—to Chromocell, which ensured the company’s survival, despite several financial crises in its early years.

35. Mr. Kopfli and Dr. Shekdar had limited experience and misguided ideas about how to commercialize Chromovert. They initially planned to use Chromovert to produce and sell cell lines to academic and industrial laboratories. Based on his scientific experience and industry knowledge, Dr. Blobel quickly realized that this business plan had no market potential, because the laboratories that Mr. Kopfli and Dr. Shekdar planned to target had no need for this type of service.

36. Dr. Blobel convinced Mr. Kopfli and Dr. Shekdar that a more viable plan for Chromocell would be to use Chromovert to identify compounds that would be commercially attractive to potential business partners. Dr. Blobel was aware that consumer goods companies are often ill-equipped for testing using modern technologies, and the Chromovert technology was well-suited to sort cells for quick and efficient testing. Dr. Blobel was proven correct, as indicated below.

37. As an initial target, Dr. Blobel suggested that Chromocell should screen for compounds that would trigger certain taste and smell receptors. Dr. Blobel understood that using Chromocell’s technology for this purpose would be valuable to companies developing flavors and fragrances.

38. Once Dr. Blobel had refocused Chromocell's business plan, his relationships and reputation were critical to Chromocell's success in implementing it. As a Nobel Prize winner, Dr. Blobel has a prominent profile in the scientific community and has developed strong relationships at the highest level of a number of large companies. For example, Dr. Blobel has served as a member of the Boards of Directors of International Flavors & Fragrances, Inc. ("IFF") and Nestlé S.A. ("Nestlé"). Dr. Blobel was able to use his personal and business relationships to help Chromocell build the collaborations that provided the company's sole source of income for many years.

39. Chromocell's first major contract, without which the company would never have gotten off the ground, was with IFF. Dr. Blobel's relationship and conversations with IFF's Chief Scientific Officer provided the initial impetus for IFF's collaboration with Chromocell. Indeed, at the time, Mr. Kopfli thanked Dr. Blobel for his contributions and acknowledged that "[a]ll of this would not have happened without you." The collaboration between Chromocell and IFF thrived for a number of years and, as a result, Chromocell grew from a company with only three employees, to a company employing more than 100 people.

40. Chromocell also asked Dr. Blobel to build, and lead, its Scientific Advisory Board ("SAB"). In that capacity, Dr. Blobel assembled a group of prominent scientists to help advise and guide Chromocell. Here, again, Chromocell benefitted from Dr. Blobel's reputation in the scientific community and his personal and business relationships. In addition to his ability to assemble an impressive board of scientific advisers, Dr. Blobel's involvement as the head of the SAB also allowed Chromocell to trade off the profile and credibility that comes with having a Nobel Prize winner in that position. Incredibly, despite the existence of this dispute, Chromocell's website continued to identify Dr. Blobel as the head of its SAB.

41. Chromocell's senior management, including Mr. Kopfli, mismanaged the IFF relationship and, as a result, it eventually failed. This led to an acute financial crisis for Chromocell. Over the course of several years, Chromocell was frequently unable to make payroll. To prevent Chromocell's collapse, Dr. Blobel repeatedly provided loans to Chromocell, eventually totaling \$2 million of his personal savings.

42. By way of example, in July 2006, Mr. Kopfli requested that Dr. Blobel provide Chromocell \$500,000 to allow the company to cover operating expenses through September 30. Mr. Kopfli indicated that \$500,000 was "the amount where [Chromocell] could safely continue [its] operations." He also indicated that "to share the burden at least symbolically," he had "stopped salary" for himself and Dr. Shekdar. On receiving Mr. Kopfli's request, Dr. Blobel "initiate[d] selling stocks" to assemble the funds for Chromocell to continue operating. In addition, in August 2010, Dr. Blobel provided a wire transfer of \$250,000 to Chromocell for payroll. Chromocell repaid these loans, without interest.

43. However, Chromocell's financial difficulties continued over the years. In December 2009, Kopfli reported that Chromocell faced a "challenge over the next couple of months . . . to keep expenses at the absolute minimum to survive the last mile in the valley of death." In August 2010, Mr. Kopfli emailed Dr. Blobel that he was "very embarrassed" to ask for another \$250,000 yet again, to cover payroll. While Chromocell eventually repaid these loans as well, Dr. Blobel never sought or received interest on any of them, because he considered himself an equal owner.

44. Dr. Blobel would not have put his personal savings at risk by providing interest-free loans but for the Share Allocation Agreement.

45. Dr. Blobel also leveraged his personal and business relationships in order to identify new clients for Chromocell to fill the gap left by IFF. Through his friendship and business relationship with Richard Lerner, a board member of Kraft, Dr. Blobel encouraged a collaboration between Kraft and Chromocell. Dr. Blobel discussed Chromocell with Dr. Lerner, who was interested in the company and its technology. After the discussions between Dr. Lerner and Dr. Blobel, Kraft initiated contact with Christian Kopfli and eventually entered into an agreement. Kraft's support of Chromocell returned the company to financial stability. The Kraft relationship also later led to another important contract, when Rudy Fritsch, of Kraft, left to join Coca-Cola.

46. More recently, Dr. Blobel was also able to initiate a collaboration between Chromocell and Nestlé. Dr. Blobel served as a member of the Board of Directors of Nestlé. Based on conversations between Dr. Blobel and Nestlé's top scientists, Nestlé also became interested in Chromocell's technology and eventually negotiated an agreement with the company.

47. These collaborations—generated through Dr. Blobel's relationships and using the technology developed in his lab—were Chromocell's only source of revenue and set the foundation for the business.

48. Finally, and perhaps most significantly, Dr. Blobel recognized that the pharmaceutical industry presented opportunities for the use of Chromovert and he steered Chromocell toward the field of drug discovery. Dr. Blobel alerted Chromocell to an ideal target for Chromocell's cell-based screening technique—a “pain receptor” (an ion channel known as Nav1.7) discovered in a Pakistani youth who did not experience pain. The goal of this project

was to use Chromocell's screening technology to identify compounds that would inhibit this pain receptor.

49. It was Dr. Blobel who suggested that Chromocell should pursue this project because Nav1.7 was recently discovered, and thus, Chromocell would be on an equal playing field with other biotechnology companies and larger drug companies. He also recognized that the project was potentially very lucrative because, if successful, it could yield non-addictive compounds that could replace opioids for pain management. As a result of Dr. Blobel's guidance, Chromocell developed technology that it has now licensed to Astellas Pharma Inc. ("Astellas") for an upfront payment of \$15 million and, potentially, over \$500 million in milestone payments, plus additional royalties.

50. Over the years, Mr. Kofli has routinely acknowledged Dr. Blobel's many and invaluable contributions to the success and, at certain points, survival of Chromocell. Beginning at the time of the Founders' initial negotiations with Rockefeller University, Kopfli commended Dr. Blobel for his "tremendous support" and noted that "[t]his project would be nowhere" without his help. Even as the Founders' relationship frayed, Kopfli recognized the work and "continuous advice and support" that Dr. Blobel provided as "very important" to the business.

51. If anything, Mr. Kopfli's recognition of Dr. Blobel's contributions understated their importance. Those contributions have included:

- Providing the intellectual property that was Chromocell's foundation;
- Redirecting Chromocell's business plan to set the company on the path to success;
- Leading Chromocell's Scientific Advisory Board and assembling a group of prominent scientists to guide the company;
- Using his own industry contacts to arrange Chromocell's collaborations with IFF, Kraft, Nestlé, and Coca-Cola, which provided all of Chromocell's income;

- Providing unsecuritized interest-free loans to Chromocell when the company was repeatedly unable to cover its own operating expenses; and
- Identifying the ideal application of Chromocell’s technology in the field of drug discovery, ultimately leading to a major licensing agreement with Astellas.

V. Mr. Kopfli and Dr. Shekdar Acknowledge, but then Repudiate, Their Agreement

52. As Dr. Blobel, Mr. Kopfli, and Dr. Shekdar had discussed and expected, HHMI eventually changed its policy regarding Investigators’ ownership of equity. In or around 2012, HHMI issued a new policy on equity ownership of start-up companies. HHMI’s new policy recognized that, “start-up companies can play an important role in translating basic research discoveries . . . into effective therapies and diagnostic tools.” The new policy aimed to “balance HHMI’s institutional interest in the integrity and independence of its research with its interest in the effective application of research results for the benefit of humanity.”

53. Under the new rules, there was “no upper limit” on an Investigator’s ownership of start-up company equity in the first year after its formation. The policy recognized that “Requiring an HHMI founder to reduce his or her ownership to no more than 5 percent of a company’s equity during this period could discourage laboratory heads from becoming involved with start-up companies or unnecessarily disadvantage HHMI laboratory heads relative to other founders who are not HHMI employees in circumstances that otherwise do not present conflict of interest concerns.” After one year, Investigators could own equity in the start-up company that is “less than a ‘controlling interest.’” HHMI expected that in most cases, equity would be gradually “diluted to less than a controlling interest . . . as the company attracts investors.” After a “Significant Corporate Event,”—such as a public offering or a change in control of the company, which would “provide[] a more objective means of determining the market value of the company’s equity”—the Investigator would need to reduce his shares in the company further, to 5% or less.

54. Dr. Shekdar became aware of the change in HHMI's policy and, in light of the Share Allocation Agreement, notified Dr. Blobel. There would have been no reason for Dr. Shekdar to have provided this notice but for the Share Allocation Agreement. After learning of the change in HHMI's policy, Dr. Blobel naturally assumed that the Share Allocation Agreement would be honored and immediately reacted by asking that it be implemented.

55. In response to Dr. Blobel's request, Mr. Kopfli assured Dr. Blobel that Chromocell and its lawyers would work on the details of the share transfer contemplated by the Share Allocation Agreement. Over the course of the next year, Mr. Kopfli continued to assure Dr. Blobel that he and Dr. Shekdar would formalize Dr. Blobel's ownership, repeatedly confirmed that Chromocell's lawyers were working on implementing the agreement, and provided excuses for delays in completion. Again, Mr. Kopfli's background as a lawyer led Dr. Blobel to trust him to deal with the legal documentation. Dr. Blobel again did not retain a lawyer at that time.

56. At no point in time did Mr. Kopfli or Dr. Shekdar dispute the existence or terms of the Share Allocation Agreement. To the contrary, through their statements and conduct, they acknowledged that Dr. Blobel was due the additional shares necessary to make him a one-third owner of Chromocell. In retrospect, however, it is clear that at some point Mr. Kopfli decided to repudiate his obligation to deliver to Dr. Blobel his rightful share of Chromocell's equity. His assurances to the contrary were likely intended to pacify Dr. Blobel while the company continued to benefit from its association with a Nobel laureate and from Dr. Blobel's personal and business relationships.

57. After more than a year of deferrals, Dr. Blobel composed on his own, again without counsel, a "Letter of Intent" to put implementation of the Share Allocation Agreement in

writing. The Letter of Intent recounted the terms of the Agreement, Dr. Blobel's contributions to Chromocell, and declared the Founders' intent to "raise" Dr. Blobel's ownership of Chromocell to 33.33% by returning to Dr. Blobel 29.43% of Chromocell's shares that were "temporarily allocated in equal parts" to Mr. Kopfli and Dr. Shekdar. Dr. Blobel provided this Letter of Intent to Mr. Kopfli and Dr. Shekdar for their signature.

58. Dr. Shekdar and Mr. Kopfli each responded to the Letter of Intent by email. Dr. Shekdar's email acknowledges that the parties agreed in principle on the terms of the Share Allocation Agreement. Similarly, in a separate joint response, Mr. Kopfli and Dr. Shekdar did not dispute the existence or terms of the Share Allocation Agreement. Indeed, their response confirmed Dr. Blobel's significant contributions to Chromocell's development. However, they refused, and continue to refuse, to carry out the Share Allocation Agreement.

59. After Dr. Blobel drafted and sent the Letter of Intent, it became clear that the Defendants had "lawyered up" and would try to steamroll Dr. Blobel. Mr. Kopfli suggested that he, Dr. Shekdar, and Dr. Blobel hold a dinner meeting with Michael Weiss—a partner in the law firm of Cahill, Gordon & Reindel LLP and a personal friend of Mr. Kopfli—to discuss the issue of Dr. Blobel's ownership in Chromocell. Dr. Blobel raised concerns, however, regarding attending such a meeting without a lawyer of his own.

60. Ultimately, on a trip to New York, Dr. Richard Lerner invited Dr. Blobel to join him for a dinner with Mr. Weiss, in November 2013. Dr. Blobel accepted the invitation and, at the dinner, Mr. Weiss tried to coerce Dr. Blobel into dropping the ownership issue. Among other things, Mr. Weiss threatened that Chromocell would sue Dr. Blobel if he continued to pursue it. He also offered, on behalf of Chromocell, to buy Dr. Blobel off for \$10 million. Dr. Blobel, however, was not interested in being bought off—he was, and remains, interested in receiving

his rightful ownership interest in Chromocell. Dr. Blobel viewed Mr. Weiss' supposed offer as illusory and a further delaying tactic. Dr. Blobel wants what was agreed, nothing more and nothing less.

61. Dr. Blobel has not had further contact with Chromocell since that dinner, and still has not received the additional shares to which he is entitled as agreed. Nevertheless, as noted above, Chromocell continued to take advantage of Dr. Blobel's reputation and status as a Nobel Prize winner by, among other things, holding him out as the chair of its Scientific Advisory Board.

COUNT I: BREACH OF CONTRACT
(Against Mr. Kopfli and Dr. Shekdar)

62. Dr. Blobel repeats and re-alleges paragraphs 1-62, as if fully stated herein.

63. In connection with the formation of Chromocell, Dr. Blobel, Mr. Kopfli, and Dr. Shekdar entered into a valid and enforceable oral contract, the Share Allocation Agreement, providing that, when HHMI changed its policies regarding equity ownership of start-up companies, Dr. Blobel would be allocated sufficient shares of Chromocell to make him a one-third owner of the company.

64. Dr. Blobel fully performed all of his obligations to Mr. Kopfli and Dr. Shekdar in connection with the formation of Chromocell. Indeed, Dr. Blobel acted far beyond his obligations as a shareholder, including by providing numerous unsecured loans to Chromocell that were repaid without interest.

65. In reliance on the Share Allocation Agreement, Dr. Blobel made significant contributions to Chromocell, including his patent rights in Chromovert, initial funding, strategic advice necessary to the company's eventual success, crucial scientific guidance and leadership as the head of the SAB, relationship-building with clients that became Chromocell's only sources of

revenue, and financial assistance in the form of interest-free loans when Chromocell faced financial crisis.

66. As contemplated, HHMI changed its policy on equity ownership of start-up companies in or around 2012. The new policy permitted Investigators, like Dr. Blobel, to own up to 50% of a start-up company's equity.

67. Mr. Kopfli and Dr. Shekdar breached the Share Allocation Agreement by refusing to transfer a sufficient amount of Chromocell's shares to Dr. Blobel to make him a one-third owner of the company, as was agreed.

68. Dr. Blobel was—and remains—ready, willing, and able to complete the transfer of shares contemplated in the Share Allocation Agreement. Mr. Kopfli and Dr. Shekdar are able to transfer a sufficient amount of Chromocell's shares to Dr. Blobel to make him a one-third owner of the company.

69. The subject matter of the Share Allocation Agreement—a one-third share of the equity of a private company—is unique and has no established market value. There is no adequate remedy at law for Dr. Blobel's injury.

70. Accordingly, Dr. Blobel requests that the Court enter a judgment directing Mr. Kopfli and Dr. Shekdar to cause Dr. Blobel to be allocated sufficient shares of Chromocell to make him a one-third owner of the company, pursuant to the terms of the Share Allocation Agreement.

71. Dr. Blobel has suffered other damages as a result of Mr. Kopfli and Dr. Shekdar's breach of the agreement, including but not limited to the extensive and uncompensated support that Dr. Blobel has provided to them and to Chromocell in reliance on Mr. Kopfli and Dr.

Shekdar's promises in the Share Allocation Agreement, and is entitled to a money judgment in an amount to be determined at trial.

72. The Share Allocation Agreement was an essential part of the bargain by which Dr. Blobel agreed to assign his interest in the Chromovert patent to Chromocell. In the alternative, Dr. Blobel therefore requests rescission of the Assignment Agreement by which he assigned his interest in the Chromovert patent to Chromocell, as a remedy for Mr. Kopfli and Dr. Shekdar's material breach of their agreement.

COUNT II: UNJUST ENRICHMENT
(Against Mr. Kopfli, Dr. Shekdar, and Chromocell)

73. Dr. Blobel repeats and re-alleges paragraphs 1-72, as if fully stated herein.

74. Dr. Blobel made a number of contributions to Chromocell, at great expense, including, but not limited to: (1) assigning his rights in the Chromovert patent, (2) contributing \$250,000 in initial funding to Chromocell, (3) investing time, effort, and resources to Chromocell without compensation in order to provide expert guidance to Chromocell, (4) using his personal and business relationships to help Chromocell to enter into collaborations with a number of companies, (5) making additional financial contributions of interest-free loans to Chromocell, totaling \$2 million, when the company faced a crisis and could not make payroll, and (6) allowing Chromocell to leverage and profit from his reputation and status in the scientific and business community by identifying him as the head of its SAB.

75. Mr. Kopfli, Dr. Shekdar, and Chromocell each benefitted from Dr. Blobel's contributions. Chromocell would not exist today, and certainly not in its current form, without Dr. Blobel's initial and continuing contributions, including monetary contributions that allowed the company to operate and intellectual contributions without which the company's business would not exist, including but not limited to the Chromovert patent. Both Mr. Kopfli and Dr.

Shekdar hold equity in Chromocell, which would be valueless without Dr. Blobel's contributions. Further, Mr. Kopfli and Dr. Shekdar hold shares in Chromocell that are the equitable and legal property of Dr. Blobel.

76. In addition, Mr. Kopfli is and has been employed as the CEO of Chromocell and has received substantial compensation from Chromocell, which he could not have received without Dr. Blobel's contributions to the company. Likewise, Dr. Shekdar has served as Chromocell's Chief Scientific Officer and has received substantial compensation from Chromocell in that role, which he could not have received without Dr. Blobel's contributions to Chromocell. Dr. Shekdar continues to receive payments from Chromocell today even though he is no longer employed by the company.

77. Dr. Blobel was not adequately compensated for the benefits that he provided to Chromocell, Mr. Kopfli, and Dr. Shekdar. Equity and good conscience require an award of restitution for his contributions and for the Chromocell shares to which he is entitled, and rescission of his assignment of the Chromovert patent.

COUNT III: CONSTRUCTIVE TRUST
(Against Mr. Kopfli and Dr. Shekdar)

78. Dr. Blobel repeats and re-alleges paragraphs 1-77, as if fully stated herein.

79. At all times relevant to this Complaint, Dr. Blobel has been in a fiduciary and/or confidential relationship with both Mr. Kopfli and Dr. Shekdar, by virtue of their relationship as co-founders of, and shareholders in, Chromocell.

80. Mr. Kopfli and Dr. Shekdar promised and agreed that when HHMI changed its policies regarding equity ownership of start-up companies, Dr. Blobel would be allocated sufficient shares of Chromocell to make him a one-third owner of the company.

81. In reliance on Mr. Kopfli's and Dr. Shekdar's promise, Dr. Blobel: (1) accepted a 3.9% ownership interest in Chromocell, which he believed would be increased to 33.33% at a later date, and allowed Mr. Kopfli and Dr. Shekdar to divide the remaining shares, (2) assigned his rights in the Chromovert patent to Chromocell, (3) contributed \$250,000 in initial funding to Chromocell, (4) invested time, effort, and resources in Chromocell without compensation, (5) used his personal and business relationships to help Chromocell to enter into collaborations with a number of companies, (6) extended additional interest-free loans to Chromocell, totaling \$2 million, when the company faced a crisis and could not make payroll, and (7) allowed Chromocell to leverage and profit from his reputation and status in the scientific and business community by identifying him as the head of its SAB.

82. As a result of Dr. Blobel's contributions of property and funds to Chromocell, Mr. Kopfli and Dr. Shekdar were unjustly enriched. They may not in good conscience retain the benefits provided by Dr. Blobel's extensive contributions and investment in Chromocell.

83. A constructive trust should be imposed on all property and funds acquired by Mr. Kopfli and Dr. Shekdar as a result of Dr. Blobel's contributions, including, for each, any Chromocell shares in excess of 33.33% of the company's equity.

COUNT IV: PROMISSORY ESTOPPEL
(Against Mr. Kopfli, Dr. Shekdar, and Chromocell)

84. Dr. Blobel repeats and re-alleges paragraphs 1-83, as if fully stated herein.

85. In connection with the formation of Chromocell, Mr. Kopfli, the company's CEO and co-Founder, and Dr. Shekdar, the company's then-Chief Scientific Officer and co-Founder, promised and agreed that, when HHMI changed its policies regarding equity ownership of start-up companies, Dr. Blobel would be allocated sufficient shares of Chromocell to make him a one-

third owner of the company. In all of their conversations surrounding the formation of the company, the Founders contemplated and agreed that they would be equal owners.

86. Dr. Blobel reasonably and foreseeably relied on the Share Allocation Agreement. Dr. Blobel trusted Dr. Shekdar, his former student and mentee, and Mr. Kopfli, at the time a corporate attorney at a prominent New York law firm and designated as CEO of Chromocell. Dr. Blobel trusted his former student and the lawyer introduced by his former student and believed their assurances, made on their own behalf and on behalf of Chromocell, that the three Founders would be equal partners in Chromocell.

87. In reliance on the agreement and continued assurances that it would be complied with, Dr. Blobel made significant monetary and intellectual contributions to Chromocell, including by: (1) assigning his rights in the Chromovert patent, (2) making initial monetary contributions of \$250,000 to Chromocell, (3) investing time, effort, and resources in Chromocell without compensation to guide Chromocell's business, (4) using his personal and business relationships to enable Chromocell to enter into partnerships with a number of companies, (5) making additional contributions of \$2 million in interest-free loans on occasions when the company was unable to pay its expenses, including payroll, and (6) allowing Chromocell to trade off of his reputation and status in the scientific and business community by identifying him as the head of its SAB.

88. Defendants are estopped from denying their obligation to Dr. Blobel. As a result of his reliance upon Mr. Kopfli, Dr. Shekdar, and Chromocell's promise, Dr. Blobel has suffered substantial injury in the form of, among other things, the transfer of the rights in the Chromovert patent, the value of the efforts he invested in support of Chromocell's growth and development as a company, and a loss of the shares wrongfully denied to him.

COUNT V: EQUITABLE ESTOPPEL
(Against Mr. Kopfli, Dr. Shekdar, and Chromocell)

89. Dr. Blobel repeats and re-alleges paragraphs 1-88, as if fully stated herein.

90. In connection with the formation of Chromocell, Mr. Kopfli, the company's CEO and co-Founder, and Dr. Shekdar, the company's Chief Scientific Officer and co-Founder, represented that, when HHMI changed its policies regarding equity ownership of start-up companies, Mr. Kopfli and Dr. Shekdar would allocate sufficient shares of Chromocell to Dr. Blobel to make him a one-third owner of the company.

91. Dr. Blobel reasonably and foreseeably relied upon Mr. Kofli and Dr. Shekdar's representations, made on their behalf and on behalf of Chromocell. Dr. Blobel trusted Dr. Shekdar, his former student and mentee, and Mr. Kopfli, an attorney, and believed that they were equal partners in Chromocell. There was no reason for Dr. Blobel to suspect that Mr. Kopfli and Dr. Shekdar were misleading him.

92. As a result of his reliance, Dr. Blobel prejudicially changed his position by: (1) accepting a reduced equity share of only 3.9% of Chromocell, (2) assigning his interest in the Chromovert patent to Chromocell, (3) making monetary contributions of \$250,000 to Chromocell, (4) investing time, effort and resources to provide guidance to Chromocell without compensation, (5) using his personal and business relationships to establish commercial partnerships for Chromocell, (6) making additional interest-free loans of \$2 million to Chromocell to allow the company to continue operating when it faced a crisis, and (7) allowing Chromocell to trade off of his reputation and status in the scientific and business community, including by identifying him as head of its SAB.

93. Defendants are estopped from denying their obligation to Dr. Blobel. As a result of his reliance upon Mr. Kopfli, Dr. Shekdar, and Chromocell's promise, Dr. Blobel has suffered

injury in the form of, among other things, the transfer of the rights in the Chromovert patent, the value of the efforts he invested in support of Chromocell's growth and development as a company, and a loss of the shares wrongfully denied to him.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court grant the following relief:

- (A) Order specific performance of the Share Allocation Agreement, and in addition or as alternatives, impose an equitable or constructive trust, award restitution, or award money damages in an amount to be determined at trial;
- (B) Order rescission of the Assignment Agreement by which Dr. Blobel assigned his interest in the Chromovert patent to Chromocell; and
- (C) Grant such other relief that the Court deems just and proper.

Dated: January 4, 2017

DECHERT LLP

/s/ Gary J. Mennitt

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