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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,  
  
Plaintiff,  
  
v.  
  
GEORGE DEMOS,  
  
Defendant.

Case No. **25-cr-00682-RSH**

I N F O R M A T I O N

Title 15, U.S.C., Secs. 78j(b) and 78ff, and Title 17, C.F.R., Sec. 240.10b-5 - Securities Fraud (Insider Trading); Title 18, U.S.C., Sec. 981(a)(1)(C) and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

The United States Attorney charges, at all times material:

INTRODUCTORY ALLEGATIONS

1. Acadia Pharmaceuticals, Inc. ("Acadia") was a biopharmaceutical company based in San Diego, California. Shares of Acadia were publicly traded on the National Association of Securities Dealers Automated Quotations Stock Market ("NASDAQ"), a national securities exchange, under the symbol "ACAD." Acadia was an issuer with securities registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act") and was required to file reports under Section 13 of the Exchange Act.

1           2.    The Food and Drug Administration ("FDA") was a federal  
2 agency of the Department of Health and Human Services. The FDA was  
3 responsible for protecting and promoting public health through the  
4 control and supervision of, among other things, prescription drugs.

5           3.    As of 2021, Acadia's only fully FDA-approved pharmaceutical  
6 product was Pimavanserin, sold under the brand name Nuplazid, for the  
7 treatment of Parkinson's Disease psychosis.

8           4.    Acadia had a Policy Against Trading on the Basis of Inside  
9 Information (the "Insider Trading Policy") that applied to all Acadia  
10 employees. The Insider Trading Policy prohibited Acadia employees from  
11 trading in Acadia stock while in possession of material nonpublic  
12 information. The Insider Trading Policy defined "inside information"  
13 as "important information about [Acadia] . . . that is not yet publicly  
14 available (i.e., information that has not yet been disclosed to the  
15 public in a press release or filing with the Securities and Exchange  
16 Commission (the "SEC")) about [Acadia]." The Insider Trading Policy  
17 stated it was illegal "for anyone to use inside information to gain  
18 personal benefit ...." The Insider Trading Policy stated that the  
19 following items, among others, may be considered inside information:  
20 scientific, clinical or regulatory achievements; the status of product  
21 development programs; and the launch of new products.

22           5.    Defendant GEORGE DEMOS was a resident of San Diego,  
23 California. Defendant DEMOS held a medical doctorate degree. Defendant  
24 DEMOS became employed by Acadia in or about October 2015. In or about  
25 2020, Defendant DEMOS was promoted to Vice President of Drug Safety  
26 and Pharmacovigilance at Acadia. As part of his employment at Acadia,  
27 Defendant DEMOS was also a member of the labeling team, which focused  
28 on developing drug labels.

1 6. By virtue of defendant DEMOS's employment and job  
2 responsibilities with Acadia, defendant DEMOS had access to material  
3 nonpublic information belonging to Acadia, including information about  
4 the drug approval and labeling process with the FDA, prior to such  
5 information being released to the investing public.

6 7. By virtue of defendant DEMOS's employment and job  
7 responsibilities with Acadia, defendant DEMOS owed a fiduciary duty  
8 and duty of trust and confidence to Acadia and its shareholders.

9 8. Defendant DEMOS held an individual brokerage account at  
10 E\*Trade with account number ending in -2651.

11 THE SCHEME TO DEFRAUD

12 A. Defendant DEMOS Obtains Inside Information about the Expansion of  
13 the Nuplazid Label

14 9. Between in or about June 2020, and on or about March 8, 2021,  
15 defendant DEMOS learned, by virtue of his role as Vice President of  
16 Drug Safety and Pharmacovigilance, and membership in the labeling team  
17 at Acadia, that Acadia had applied for FDA approval for the expansion  
18 of the label for Nuplazid to treat dementia-related psychosis ("DRP").  
19 For example, defendant DEMOS knew:

20 a. On or about June 3, 2020, Acadia submitted its  
21 supplemental New Drug Application ("sNDA") for Nuplazid  
22 to the FDA to expand the label.

23 b. From on or about June 3, 2020, to in or about December  
24 2020, Acadia communicated with the FDA regarding the  
25 FDA's review of the sNDA.

26 c. In or about January 2021, FDA employees conducted an  
27 in-person inspection of Acadia's San Diego office.  
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1 d. In or about February 2021, Acadia and the FDA continued  
2 to correspond about the sNDA and anticipated commencing  
3 labeling discussions on or about March 3, 2021.

4 10. In March 2021, defendant DEMOS learned that labeling  
5 discussions with the FDA had stalled, indicating a problem with the  
6 label. For example:

7 a. On or about March 3, 2021, defendant DEMOS texted Acadia  
8 co-workers about the lack of information about the label  
9 discussions and stated, "Bad news I guess?"

10 b. On or about March 4, 2021, defendant Demos received an  
11 internal Acadia email that re-scheduled a March 4, 2021,  
12 meeting of the labeling team to March 5, 2021, because  
13 senior officials at Acadia were "not quite ready to  
14 discuss FDA feedback on the draft DRP label."

15 c. On or about March 5, 2021, defendant Demos received an  
16 internal Acadia email canceling the meeting of the  
17 labeling team scheduled for March 5, 2021, because  
18 Acadia had "not yet received FDA feedback on the draft  
19 DRP label." The email stated a "placeholder" meeting  
20 would be scheduled for March 8, 2021.

21 d. On or about March 5, 2021, after receiving the email  
22 canceling the meeting of the labeling team that day,  
23 defendant DEMOS texted an Acadia co-worker, "This isn't  
24 a bad label It's no label..."

25 11. Defendant DEMOS knew that expanding the label was expected  
26 to generate significant revenue for Acadia because the expanded drug  
27 could treat a larger patient population. As a result, defendant DEMOS  
28 knew Acadia's involvement in expanding the label was material nonpublic

1 information that a reasonable investor would find to be material to  
2 the decision whether or not to trade in Acadia securities and, when  
3 publicly announced, would materially affect Acadia's share price.  
4 Defendant DEMOS knew that approval of the label would positively affect  
5 the stock price while a denial of the label would negatively affect  
6 the stock price.

7 B. Defendant DEMOS Conducts Securities Transactions on the Basis of  
8 Inside Information

9 12. On or about March 8, 2021, defendant DEMOS received an  
10 internal Acadia email moving the meeting of the labeling team from  
11 March 8, 2021, to March 9, 2021. The email had subject line,  
12 "PLACEHOLDER - NUPLAZID DRP Labeling Subteam." The email stated,  
13 "Updated placeholder timeslot as we have not yet received FDA feedback  
14 on draft DRP label."

15 13. On or about March 8, 2021, at approximately 8:27 a.m. Pacific  
16 Time, defendant DEMOS texted an Acadia co-worker, "So...today's labeling  
17 meeting moved to tomorrow..."

18 14. On or about March 8, 2021, at approximately 10:32 a.m.  
19 Pacific Time, defendant DEMOS sold 60,800 shares of Acadia stock at an  
20 average share price of approximately \$46.61 for \$2,833,856.15 through  
21 his individual brokerage account at E\*Trade ending in -2651.

22 15. On or about March 8, 2021, at approximately 12:00 p.m.  
23 Pacific Time, Acadia uploaded a press release to BusinessWire ("the  
24 Corporate Disclosure") announcing that on or about March 3, 2021, the  
25 FDA notified Acadia it had identified deficiencies in the sNDA. At  
26 approximately 1:05 p.m. Pacific Time, the Corporate Disclosure was  
27 publicly available on BusinessWire.

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1 16. On or about March 8, 2021, at approximately 1:13 p.m. Pacific  
2 Time, the Acadia Chief Executive Officer sent a company-wide internal  
3 email with "DRP Update" in the subject line. The email stated that  
4 Acadia had just issued its press release (the Corporate Disclosure)  
5 "providing a regulatory update" on the sNDA and indicating that the  
6 FDA had identified "deficiencies" that prevented the FDA from  
7 discussing the label with Acadia.

8 17. On or about March 9, 2021, the first full trading day after  
9 the Corporate Disclosure, at the close of the market, Acadia's stock  
10 dropped approximately 45% to approximately \$25.02 per share.

11 18. By selling Acadia stock on March 8, 2021, before the  
12 Corporate Disclosure, defendant DEMOS avoided a loss of approximately  
13 \$1,313,263.00.

14 COUNT 1

15 Securities Fraud - Insider Trading

16 On or about March 8, 2021, within the Southern District of  
17 California, defendant GEORGE DEMOS, knowingly and willfully, directly  
18 and indirectly, by the use of the means and instrumentalities of  
19 interstate commerce and the facilities of national securities  
20 exchanges, used and employed manipulative and deceptive devices and  
21 contrivances in connection with the purchase and sale of Acadia  
22 securities, in violation of Title 17, Code of Federal Regulation,  
23 Section 240.10b-5 by: (a) employing a device, scheme, and artifice to  
24 defraud members of the investing public and (b) engaging in acts,  
25 practices, and a course of business that operated and would operate as  
26 a fraud and deceit upon a person, in that defendant DEMOS executed and  
27 willfully caused to be executed a securities transaction, namely, the  
28 sale of 60,800 Acadia shares at an average price of approximately

1 \$46.61 per share for a total price of approximately \$2,833,856.15, on  
2 the basis of material nonpublic information relating to the transaction  
3 that he used in breach of a duty of trust and confidence that he owed  
4 directly and indirectly to the issuer of those securities, to the  
5 shareholders of the issuer, and to other persons and entities that were  
6 the source of the material nonpublic information.

7 All in violation of Title 15, U.S.C., Secs. 78j(b) and 78ff, and  
8 Title 17, C.F.R., Sec. 240.10b-5.

9 FORFEITURE ALLEGATION

10 1. Introductory Allegations contained in paragraphs 1 through  
11 18 of this Information and Count 1 are realleged as if fully set forth  
12 herein for purposes of alleging forfeiture to the United States  
13 pursuant to Title 18, United States Code, Section 981(a)(1)(C) and  
14 Title 28, United States Code, Section 2461(c).

15 2. Upon conviction of the offense set forth in Count 1 of this  
16 Information, and pursuant to Title 18, United States Code, Section  
17 981(a)(1)(C), Title 28, United States Code, Section 2461(c), and Rule  
18 32.2, Federal Rules of Criminal Procedure, defendant GEORGE DEMOS shall  
19 forfeit to the United States any property, real or personal, which  
20 constitutes and was derived from proceeds traceable to such violation.  
21 The property to be forfeited includes, but is not limited to, a  
22 forfeiture money judgment in the approximate amount of \$1,313,263.00.

23 3. If any of the above-described forfeitable property, as a  
24 result of any act or omission of defendant GEORGE DEMOS, cannot be  
25 located upon the exercise of due diligence; has been transferred or  
26 sold to, or deposited with, a third person; has been placed beyond the  
27 jurisdiction of the Court; has been substantially diminished in value;  
28 or has been commingled with other property which cannot be subdivided

1 without difficulty, it is the intent of the United States, pursuant to  
2 Title 28, United States Code, Section 2461(c), to seek forfeiture of  
3 any other property of the defendant up to the value of the property  
4 described above subject to forfeiture.

5 All pursuant to Title 18, United States Code, Sections  
6 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

7 DATED: March 5, 2025

ANDREW R. HADEN  
Acting United States Attorney

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11 JANAKI G. CHOPRA  
Assistant United States Attorney