UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

FRANCES J. RUDY, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. BELLICUM PHARMACEUTICALS, INC., RICHARD A. FAIR and ALAN A. MUSSO, Defendants.	§	Civil Action No. 4:18-cv-00795 CLASS ACTION DEMAND FOR JURY TRIAL

COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

Plaintiff Frances J. Rudy ("plaintiff"), individually and on behalf of all others similarly situated, by plaintiff's undersigned attorneys, for plaintiff's complaint against defendants, alleges the following based upon the investigation of counsel, which included a review of U.S. Securities and Exchange Commission ("SEC") filings by Bellicum Pharmaceuticals, Inc. ("Bellicum" or the "Company"), as well as regulatory filings and reports, securities analysts' reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities fraud class action on behalf of all persons who purchased Bellicum securities between May 8, 2017 and January 30, 2018, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 ("1934 Act"). These claims are asserted against Bellicum and certain of its officers and/or directors who made materially false and misleading statements during the Class Period in press releases and filings with the SEC.

2. Bellicum operates as a clinical-stage biopharmaceutical company. The Company is focused on discovering and developing novel cellular immunotherapies for various forms of cancer. The Company's lead clinical product candidate, BPX-501, is an adjunct T-cell therapy administered after allogeneic hematopoietic stem cell transplantation ("HSCT"), also known as bone marrow transplantation. Bellicum represented that BPX-501 was being evaluated in multiple clinical trials and spoke positively about the drug's ability to improve patient outcomes by enhancing the recovery of the immune system following an HSCT procedure.

3. Throughout the Class Period, defendants violated the federal securities laws by disseminating false and misleading statements to the investing public regarding the Company's business, operations and financial results. Specifically, defendants failed to disclose that a

substantial undisclosed risk of encephalopathy (brain damage) was associated with the Company's lead product candidate, BPX-501, and that as a result, the Company's public statements were materially false and misleading and omitted material information at all relevant times. Defendants' conduct had its intended effect, causing Bellicum shares to trade at artificially inflated prices of as high as $13.98 per share on June 22, 2017.

4. On January 30, 2018, after the market closed, Bellicum issued a press release announcing that it had "received notice from the U.S. Food and Drug Administration ('FDA') that U.S. studies of BPX-501 have been placed on a clinical hold following three cases of encephalopathy deemed as possibly related to BPX-501."

5. As a result of this news, Bellicum shares declined $2.12 per share to close at $6.08 per share on January 31, 2018, a one-day decline of nearly 26% on extremely high trading volume.

6. As a result of defendants' false and misleading statements, Bellicum securities traded at artificially inflated prices during the Class Period. However, after the above revelations seeped into the market, the price of the Company's common stock dropped nearly 57% from its Class Period high, causing economic harm and damages to plaintiff and members of the Class (as defined below).

JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the 1934 Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5, 17 C.F.R. §240.10b-5, promulgated thereunder by the SEC.

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the 1934 Act.

9. Venue is proper in this District pursuant to §27 of the 1934 Act and 28 U.S.C. §1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District.

10. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

THE PARTIES

11. Plaintiff Frances J. Rudy purchased Bellicum securities during the Class Period as set forth in the attached certification and was damaged thereby.

12. Defendant Bellicum is headquartered Texas with its principal executive offices located at 2130 West Holcombe Boulevard, Suite 800, Houston, Texas 77030. Bellicum's shares trade under the ticker "BLCM" on the NASDAQ, an efficient market.

13. Defendant Richard A. Fair ("Fair") is, and at all relevant times was, President, Chief Executive Officer ("CEO") and a director of the Company

14. Defendant Alan A. Musso ("Musso") is, and at all relevant times was, Chief Financial Officer ("CFO") and Treasurer of the Company.

15. The defendants referenced above in ¶¶13-14 are collectively referred to herein as the "Individual Defendants." The Individual Defendants made, or caused to be made, false statements that caused the price of Bellicum securities to be artificially inflated during the Class Period.

16. The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Bellicum's quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to

prevent their issuance or cause them to be corrected. Because of their positions with the Company, and their access to material non-public information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false and misleading statements pleaded herein.

FRAUDULENT SCHEME AND COURSE OF BUSINESS

17. Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about Bellicum. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Bellicum securities was a success, as it: (i) deceived the investing public regarding Bellicum's prospects and business; (ii) artificially inflated the prices of Bellicum securities; and (iii) caused plaintiff and other members of the Class to purchase Bellicum securities at artificially inflated prices.

DEFENDANTS' SCIENTER

18. During the Class Period, defendants had the motive and opportunity to commit the alleged fraud. Defendants also had actual knowledge of the misleading statements they made and/or acted in reckless disregard of the truth at the time. In doing so, defendants participated in a scheme to defraud and committed acts and practices and participated in a course of business that operated as a fraud or deceit on purchasers of Bellicum securities during the Class Period.

FACTUAL BACKGROUND

19. Bellicum operates as a clinical-stage biopharmaceutical company. The Company is focused on discovering and developing novel cellular immunotherapies for various forms of cancer. Bellicum operates in the United States. The Company's lead product candidate, BPX-501, is an adjunct T-cell therapy administered after allogeneic HSCT. Bellicum represented during the Class

Period that BPX-501 was being evaluated in multiple early-stage clinical trials and spoke positively about the drug candidate's positive safety profile and its ability to improve transplant outcomes and enhance the recovery of patients' immune systems following HSCT procedures.

DEFENDANTS' FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

20. On May 8, 2017, Bellicum issued a press release announcing the Company's first quarter 2017 financial and operating results. The Company reported a net loss of $21.97 million, or ($0.80) diluted earnings per share ("EPS"), and revenue of $128,000 for the quarter ended March 31, 2017. The press release stated in part:

> "We had a productive first quarter across our pipeline," said Rick Fair, Bellicum's President & Chief Executive Officer. "We continued to make progress on the registration trial for BPX-501, and presented updated clinical data highlighting its potential to transform patients' lives. We are actively recruiting initial clinical trials with our controllable CAR T and TCR product candidates, and presented preclinical data on exciting new enhancements to our pioneering technology platform. This progress underscores our commitment to developing novel cell therapies in areas of dire need."
>
> **PROGRAM HIGHLIGHTS AND CURRENT UPDATES**
>
> ***BPX-501***
>
> *Adjunct T-cell therapy, administered after allogeneic hematopoietic stem cell transplantation, to support faster immune recovery, improved infection control, and reduced mortality and Graft versus Host Disease (GvHD*)
>
> **Registration Studies Advancing in the European Union**
>
> Bellicum continues to enroll its registration trial in the E.U. with BPX-501 and rimiducid in pediatric patients with orphan inherited blood disorders or hematologic cancers receiving a haploidentical transplant, and is preparing to initiate a separate observational trial in a comparative sample of patients receiving a matched unrelated donor, or MUD, transplant to support regulatory submission.
>
> **Preparation Ongoing for U.S. Registration Trials**
>
> Bellicum continues to prepare for pivotal trials of BPX-501 in the U.S. in pediatric patients with orphan inherited blood disorders and blood cancers and in adults with high- and intermediate-risk AML receiving haploidentical transplant.
>
> **Data Update Highlights Promise of BPX-501 Clinical Program**

> At the Bone Marrow Transplant (BMT) Tandem Meeting in February, Bellicum reported data from the BP-004 trial which showed a low incidence of transplant-related mortality, rapid immune recovery, a low rate of GvHD that was manageable with standard treatments or rimiducid, and no serious adverse events associated with the use of BPX-501 or rimiducid.

21. On May 8, 2017, Bellicum filed its quarterly report on Form 10-Q with the SEC for the first quarter of 2017, ended March 31, 2017. The Form 10-Q contained signed certifications by defendants Fair and Musso and included the financial results previously reported in the Company's May 8, 2017 press release and statements regarding BPX-501. The Form 10-Q stated in part:

> By incorporating our novel switch technologies, we are developing product candidates with the potential to elicit positive clinical outcomes and ultimately change the treatment paradigm in various areas of cellular immunotherapy. Our lead clinical product candidate is described below.
>
> - **BPX-501** is a CaspaCIDe product candidate designed as an adjunct T cell therapy administered after allogeneic HSCT. BPX-501 is designed to improve transplant outcomes by enhancing the recovery of the immune system following an HSCT procedure. BPX-501 addresses the risk of infusing donor T cells by enabling the elimination of donor T cells through the activation of the CaspaCIDe safety switch if there is an emergence of uncontrolled GvHD.
>
> The European Commission has granted orphan drug designations to BPX-501 for treatment in HSCT, and for activator agent rimiducid for the treatment of GvHD. Additionally, BPX-501 and rimiducid have received orphan drug status from the U.S. Food and Drug Administration, or the FDA, as a combination replacement T-cell therapy for the treatment of immunodeficiency and GvHD after allogeneic HSCT.
>
> During 2016, we discussed with the European Medicines Agency, or the EMA, clinical and regulatory plans to support the filing of Marketing Authorization Applications, or MAAs, for BPX-501 and rimiducid in Europe, initially for pediatric patients with certain orphan inherited blood disorders or treatment-refractory hematological cancers. Based on the regulatory discussions, we believe that data from the European arm of our BP-004 trial, expanded to enroll additional patients, with a primary endpoint of event-free survival, with events defined as transplant-related or non-relapse mortality, (severe GvHD and serious infection) at six months, could form the basis of MAAs for BPX-501 and rimiducid. In addition, the EMA's Committee for Medicinal Products for Human Use, or the CHMP, has agreed that review and approval under "exceptional circumstances" may be suitable, recognizing that a randomized trial may not be feasible in the pediatric haploidentical hematopoietic stem cell transplant setting. Exceptional circumstances may be granted for medicines that treat very rare diseases, or where controlled studies are impractical or not consistent with accepted principles of medical ethics. In place of a randomized trial, we intend to collect data from a concurrent observational study in the pediatric

matched unrelated donor hematopoietic stem cell transplant setting, which will include both retrospective patients and prospective patients.

We have discussions ongoing with the FDA regarding the regulatory path to approval in the U.S. and we expect to provide updates in the first half of 2017.

22. On August 8, 2017, Bellicum issued a press release announcing its second quarter 2017 financial results and updates regarding the BPX-501 program. The Company reported a net loss of $24.45 million, or ($0.74) diluted EPS, and no revenue for the quarter ended June 30, 2017. The press release stated in part:

"Since I joined the Company six months ago, we have conducted a thorough review of our strategy and operations, and are very optimistic about the opportunities before us," said Rick Fair, Bellicum's President & Chief Executive Officer. "We continue to be encouraged by the results from our ongoing BPX-501 pediatric studies and our progress toward a filing in Europe. We have adjusted our plans for U.S. registrational trials to enable an efficient path to seeking approvals for the greatest areas of unmet need. Lastly, we continue to be excited about the clinical progress of our CAR T and TCR product candidates, and the application of our molecular switch platform for future pipeline expansion."

PROGRAM HIGHLIGHTS AND CURRENT UPDATES

BPX-501

Adjunct T-cell therapy incorporating the CaspaCIDe® safety switch, administered after a haploidentical hematopoietic stem cell transplant (haplo-HSCT), to improve outcomes and reduce mortality

Data Update Suggests BPX-501 Improves Outcomes of Haploidentical Stem Cell Transplants

During the Presidential Symposium of the 22nd Congress of the European Hematology Association (EHA) in June, Bellicum reported data from 98 pediatric patients within the BP-004 trial which showed rapid immune recovery, a low incidence of transplant-related mortality, a reduction in viral infections and a low rate of Graft versus Host Disease (GvHD) that was manageable with either standard treatments or rimiducid. The data suggest BPX-501 could improve outcomes of haploidentical stem cell transplants, providing an option for the many patients who could benefit from a life-saving transplant but lack a matched donor.

Positive Clinical Results of BPX-501 in Pediatric Leukemias

Also at EHA, Bellicum reported data from the BP-004 trial in a cohort of 47 pediatric patients with acute leukemias who lack a matched donor. The data showed

rapid immune reconstitution and low rates of relapse and mortality, suggesting that BPX-501 may offer benefits in combination with HSCT in acute leukemia patients.

* * *

Company Clarifies U.S. Clinical Development Strategy

Bellicum is finalizing plans for the design of registrational trials of BPX-501 in the U.S. The Company's current plans include conducting a controlled clinical trial in adult patients with acute myeloid leukemia (AML), which it expects to fund in part through its $16.9 million Product Development Award from the Cancer Prevention and Research Institute of Texas ("CPRIT"). In the pediatric non-malignant setting, Bellicum is designing a registrational trial to evaluate BPX-501 in a distinct subset of orphan inherited blood disorders.

23. On August 8, 2017, Bellicum filed its quarterly report on Form 10-Q with the SEC for the second quarter of 2017, ended June 30, 2017. The Form 10-Q contained signed certifications by defendants Fair and Musso and included the financial results previously reported in the Company's August 8, 2017 press release and statements regarding BPX-501. The Form 10-Q stated in part:

By incorporating our novel switch technologies, we are developing product candidates with the potential to elicit positive clinical outcomes and ultimately change the treatment paradigm in various areas of cellular immunotherapy. Our lead clinical product candidate is described below.

- **BPX-501** is a CaspaCIDe product candidate designed as an adjunct T cell therapy administered after allogeneic HSCT. BPX-501 is designed to improve transplant outcomes by enhancing the recovery of the immune system following an HSCT procedure. BPX-501 addresses the risk of infusing donor T cells by enabling the elimination of donor T cells through the activation of the CaspaCIDe safety switch if there is an emergence of uncontrolled GvHD.

The European Commission has granted orphan drug designations to BPX-501 for treatment in HSCT, and for activator agent rimiducid for the treatment of GvHD. Additionally, BPX-501 and rimiducid have received orphan drug status from the U.S. Food and Drug Administration, or the FDA, as a combination replacement T-cell therapy for the treatment of immunodeficiency and GvHD after allogeneic HSCT.

During 2016, we discussed with the European Medicines Agency, or the EMA, clinical and regulatory plans to support the filing of Marketing Authorization Applications, or MAAs, for BPX-501 and rimiducid in Europe, initially for pediatric patients with certain orphan inherited blood disorders or treatment-refractory hematological cancers. Based on the regulatory discussions, we believe that data

> from the European arm of our BP-004 trial, expanded to enroll additional patients, with a primary endpoint of event-free survival, with events defined as transplant-related or non-relapse mortality, (severe GvHD and serious infection) at six months, could form the basis of MAAs for BPX-501 and rimiducid. In addition, the EMA's Committee for Medicinal Products for Human Use, or the CHMP, has agreed that review and approval under "exceptional circumstances" may be suitable, recognizing that a randomized trial may not be feasible in the pediatric haploidentical hematopoietic stem cell transplant setting. Exceptional circumstances may be granted for medicines that treat very rare diseases, or where controlled studies are impractical or not consistent with accepted principles of medical ethics. In place of a randomized trial, we intend to collect data from a concurrent observational study in the pediatric matched unrelated donor hematopoietic stem cell transplant setting, which will include both retrospective patients and prospective patients.
>
> We are finalizing plans for future U.S. clinical trials of BPX-501. We plan to pursue one or more clinical trials with the intent of filing for FDA approval, partially supported by a $16.9 million award from the Cancer Prevention and Research Institute of Texas, or CPRIT.
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> We have developed an efficient and scalable process to manufacture genetically modified T cells of high quality, which T cells are currently being manufactured in-house and by our third-party contract manufacturers to produce BPX-501 for our clinical trials. We are leveraging this process, as well as our resources, capabilities and expertise for the manufacture of our CAR T and TCR product candidates.

24. On November 7, 2017, Bellicum issued a press release announcing the Company's third quarter 2017 financial results. The Company reported a net loss of $23.4 million, or ($0.71) diluted EPS, and revenue of $126,000 for the quarter ended September 30, 2017. The press release stated in part:

> "We made good progress advancing our pipeline in the third quarter. Enrollment in our clinical program for BPX-501 remains on track and we progressed our plans for future trials in adult AML and a pediatric orphan blood disorder," said Rick Fair, Bellicum's President & Chief Executive Officer. "On BPX-601, we modified our Phase 1 trial to accelerate evaluation of our first clinical GoCAR-T candidate, and we look forward to reporting preliminary results next year. Finally, we continued to advance several exciting preclinical programs, leveraging our dual-switch controllable cell therapy platform."

PROGRAM HIGHLIGHTS AND CURRENT UPDATES

BPX-501

Adjunct T-cell therapy incorporating the CaspaCIDe® safety switch, administered after a haploidentical hematopoietic stem cell transplant (haplo-HSCT), to improve outcomes and reduce mortality

Bellicum Continues to Advance its BPX-501 Program

Enrollment in the EU BP-004 clinical trial remains on track to be complete by the end of 2017. Bellicum has also initiated C-004, an observational trial in pediatric patients receiving transplants from matched unrelated donors (MUD) without BPX-501. The outcomes of both trials could form the basis for filings of European Marketing Authorization Applications for BPX-501 and rimiducid. A BPX-501 abstract, highlighting data on immune reconstitution from the EU BP-004 clinical trial, has been accepted for an oral presentation at the upcoming 59th Annual Meeting of the American Society of Hematology (ASH) in December.

Company Prepares for Additional BPX-501 Trials in U.S.

Planning is ongoing for two additional trials of BPX-501 to expand the eligible patient population and support potential U.S. registration. These trials are being developed in adult patients with acute myeloid leukemia (AML) and in a distinct orphan inherited blood disorder patient population.

25. On November 7, 2017, Bellicum filed its quarterly report on Form 10-Q with the SEC for the third quarter of 2017, ended September 30, 2017. The Form 10-Q contained signed certifications by defendants Fair and Musso and included the financial results previously reported in the Company's November 7, 2017 press release and statements regarding BPX-501. The Form 10-Q stated in part:

By incorporating our novel switch technologies, we are developing product candidates with the potential to elicit positive clinical outcomes and ultimately change the treatment paradigm in various areas of cellular immunotherapy. Our lead clinical product candidate is described below.

- **BPX-501** is a CaspaCIDe product candidate designed as an adjunct T cell therapy administered after allogeneic HSCT. BPX-501 is designed to improve transplant outcomes by enhancing the recovery of the immune system following an HSCT procedure. BPX-501 addresses the risk of infusing donor T cells by enabling the elimination of donor T cells through the activation of the CaspaCIDe safety switch if there is an emergence of uncontrolled GvHD.

> The European Commission has granted orphan drug designations to BPX-501 for treatment in HSCT, and for activator agent rimiducid for the treatment of GvHD. Additionally, BPX-501 and rimiducid have received orphan drug status from the U.S. Food and Drug Administration, or the FDA, as a combination replacement T-cell therapy for the treatment of immunodeficiency and GvHD after allogeneic HSCT.
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> During 2016, we discussed with the European Medicines Agency, or the EMA, clinical and regulatory plans to support the filing of Marketing Authorization Applications, or MAAs, for BPX-501 and rimiducid in Europe, initially for pediatric patients with certain orphan inherited blood disorders or treatment-refractory hematological cancers. Based on the regulatory discussions, we believe that data from the European arm of our BP-004 trial, expanded to enroll additional patients, with a primary endpoint of event-free survival, (with events defined as transplant-related or non-relapse mortality, severe GvHD, and serious infection) at six months, could form the basis of MAAs for BPX-501 and rimiducid. In addition, the EMA's Committee for Medicinal Products for Human Use, or the CHMP, has agreed that review and approval under "exceptional circumstances" may be suitable, recognizing that a randomized trial may not be feasible in the pediatric haploidentical hematopoietic stem cell transplant setting. Exceptional circumstances may be granted for medicines that treat very rare diseases, or where controlled studies are impractical or not consistent with accepted principles of medical ethics. In place of a randomized trial, we are collecting data from a concurrent observational study in the pediatric matched unrelated donor hematopoietic stem cell transplant setting, which will include both retrospective patients and prospective patients.
>
> We are working on plans and assessing feasibility for future U.S. clinical trials of BPX-501. We expect to pursue one or more clinical trials with the intent of an eventual filing for regulatory approval in the U.S., partially supported by a $16.9 million award from the Cancer Prevention and Research Institute of Texas, or CPRIT.
>
> * * *
>
> We have developed an efficient and scalable process to manufacture genetically modified T cells of high quality, which T cells are currently being manufactured in-house and by third-party contract manufacturers in Europe to produce BPX-501 for our clinical trials. We are leveraging this process, as well as our resources, capabilities and expertise for the manufacture of our CAR T and TCR product candidates.

26. The statements set forth above were materially false and misleading because defendants failed to disclose that a substantial undisclosed risk of encephalopathy was associated with the Company's lead product BPX-501, and that as a result, the Company's public statements were materially false and misleading at all relevant times.

27. Then, on January 30, 2018, after the market closed, Bellicum issued a press release entitled "Bellicum Pharmaceuticals Announces Clinical Hold on BPX-501 Clinical Trials in the United States," which stated in part:

> Bellicum Pharmaceuticals, Inc., a leader in developing novel, controllable cellular immunotherapies for cancers and orphan inherited blood disorders, today announced that the Company has received notice from the U.S. Food and Drug Administration (FDA) that U.S. studies of BPX-501 have been placed on a clinical hold following three cases of encephalopathy deemed as possibly related to BPX-501.
>
> Bellicum is awaiting formal communications from the FDA to determine the requirements for resuming studies, and will be working closely with the FDA to address their questions. The FDA clinical hold does not affect the ongoing BP-004 registration trial in Europe.
>
> Encephalopathy has been reported in the allogeneic stem cell transplant literature. Risk factors for encephalitis/encephalopathy after allogeneic stem cell transplants include prolonged immunodeficiency, selected medications, infections, and inflammatory processes such as graft versus host disease. Bellicum has treated more than 240 patients with BPX-501 cells on three allogeneic haploidentical stem cell transplantation protocols. These three cases are complex, with a number of potential confounding factors – including, in certain of the cases, prior failed transplants, prior history of immunodeficiency, concurrent infection, and administration of rimiducid in combination with other medications. Bellicum is working with FDA to evaluate the risk of encephalopathy in patients receiving BPX-501.

28. As a result of this news, the price of Bellicum shares declined $2.12 per share to close at $6.08 per share on January 31, 2018, a one-day decline of nearly 26% on extremely high trading volume.

29. As a result of defendants' false and misleading statements, Bellicum securities traded at artificially inflated prices during the Class Period. However, after the above revelations seeped into the market, the price of the Company's common stock dropped nearly 57% from its Class Period high, causing economic harm and damages to Class members.

LOSS CAUSATION/ECONOMIC LOSS

30. During the Class Period, as detailed herein, defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of Bellicum securities

and operated as a fraud or deceit on acquirers of Bellicum securities. Later, when defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the prices of Bellicum securities fell precipitously, as the prior artificial inflation came out of the prices over time. As a result of their purchases of Bellicum securities during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

APPLICABILITY OF THE PRESUMPTION OF RELIANCE AND FRAUD ON THE MARKET

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

32. Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(a) The omissions and misrepresentations were material;

(b) The Company's shares traded in an efficient market;

(c) The misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's shares; and

(d) Plaintiff and other members of the Class purchased Bellicum securities 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.

33. At all relevant times, the market for Bellicum securities was efficient for the following reasons, among others:

(a) As a regulated issuer, Bellicum filed periodic public reports with the SEC; and

(b) Bellicum regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts and other similar reporting services.

NO SAFE HARBOR

34. Bellicum's verbal "Safe Harbor" warnings accompanying its oral forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability.

35. Defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of Bellicum who knew that the FLS was false. None of the historic or present tense statements made by defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

COUNT I

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

36. Plaintiff incorporates ¶¶1-35 by reference.

37. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they 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.

38. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

(a) Employed devices, schemes and artifices to defraud;

(b) Made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) Engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Bellicum securities during the Class Period.

39. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Bellicum securities. Plaintiff and the Class would not have purchased Bellicum securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

40. As a direct and proximate result of these defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of Bellicum securities during the Class Period.

COUNT II

For Violation of §20(a) of the 1934 Act Against All Defendants

41. Plaintiff incorporates ¶¶1-40 by reference.

42. During the Class Period, defendants acted as controlling persons of Bellicum within the meaning of §20(a) of the 1934 Act. By virtue of their positions and their power to control public statements about Bellicum, the Individual Defendants had the power and ability to control the actions of Bellicum and its employees. Bellicum controlled the Individual Defendants and its other officers and employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

A. Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: March 14, 2018

MCDOWELL HETHERINGTON LLP

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