Moderna CMO sells shares as final vaccine trials begin, raising concerns

CEO Stéphane Bancel has also cashed out on shares in recent months.

As Moderna begins a late-stage trial of its coronavirus vaccine, **chief medical officer Tal Zaks** sold almost all his shares in the company, according to a report filed to the US Securities and Exchange Commission, raising concerns about his trust in the vaccine, according to Globes.
While Zaks and other Moderna officials have already been cashing out on shares for the past few months, they’ve increased the sales of shares since reports were published on a successful test of the vaccine earlier in July.

In general, when stakeholders believe in their product, they increase their shares in order to increase confidence in the market. The move by Moderna officials to do the opposite raised concerns about the company, especially considering that Zaks, who sold almost all of his shares, is on the scientific side of the company, according to Globes.

Zaks still has tens of thousands of dollars worth of options in the company.

CEO Stéphane Bancel has also cashed out on shares in recent months.

Share sales by CEO Stéphane Bancel, his children’s’ trust and companies he owns amount to about $21 million between January 1 and June 26.

Seven executive-compensation experts told Reuters that share liquidations by Moderna executives show the incentives biotech executives have to highlight development milestones, even for drugs that often don't get approved or sold. Such optimistic statements could cause investors to overpay for company shares or create false hope concerning a possible coronavirus vaccine.

“This may be their one shot at making a boatload of money if the vaccine doesn’t work out,” said Jesse Fried, a Harvard Law School professor who wrote a book about executive compensation, adding that Moderna’s chiefs have a powerful motivation to “keep the stock price up.”

[EDITOR'S NOTE: Reuters’ comment is fraudulent financial reporting. The question is not whether or not Moderna’s CEO Bancel or CMO Zaks exaggerated the information about the trials, or not. The regulatory issue they are violating is the perception that their selling activity creates. It is the perception is that is the key here in securities law. The principle is that this activity is manifestly unfair to the other shareholders who are not privy to insider information.

The Reuters’ comment is pure propaganda.]