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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

* * * * * 15CV13161-NMG
RAPID PHARMACEUTICALS AG*
*
VS. * APRIL 18, 2019
* 11:08 A.M.
*
GAYTRI KACHROO, et al *
*
* * * * * BOSTON, MA

BEFORE THE HONORABLE NATHANIEL M. GORTON
DISTRICT JUDGE
(Hearing)

APPEARANCES:

FOR THE PLAINTIFF,
RAPID PHARMACEUTICALS
AG: MARIA T. DAVIS, ESQ.
Todd & Weld LLP
One Federal Street
27th Floor
Boston, MA 02110

FOR THE DEFENDANT, (by telephone)
GAYTRI KACHROO: GAYTRI D. KACHROO
PRO SE

FOR THE DEFENDANTS,
ARISE
BIOPHARMACEUTICALS,
INC. and ARISE
BIOPHARMA, INC.: WILLIAM F. AHERN, JR., ESQ.
Clark, Hunt, Ahern & Embry
150 Cambridgepark Drive
Cambridge, MA 02140

MICHAEL P. BOUDETT, ESQ.
Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02210-2600

Court Reporter: Debra D. Lajoie, RPR-FCRR-CRI-RMR
One Courthouse Way
Boston, MA 02210

1 18 APRIL 2019 -- 11:08 A.M.

2 THE CLERK: This is Civil Action No. 15-13161,
3 Rapid Pharmaceuticals AG v. Kachroo, et al.

4 Will counsel please identify themselves for the
5 record.

6 MS. DAVIS: Good morning, Your Honor.
7 Maria Davis on behalf of the Plaintiff, Rapid
8 Pharmaceuticals AG.

9 THE COURT: Good morning, Ms. Davis.

10 MR. AHERN: Good morning, Your Honor. I'm
11 William Ahern. I represent Arise Biopharma, Inc.

12 THE COURT: And Mr. Ahern, good morning to you.

13 MR. AHERN: Thank you.

14 MR. BOUDETT: Good morning, Your Honor.
15 Michael Boudett. I'm still nominally counsel for
16 Arise, and I'll be able to withdraw.

17 THE COURT: Yes, Mr. Boudett.

18 And I believe we also have on the phone, if I'm
19 not mistaken, Ms. Kachroo; is that correct?

20 MS. KACHROO: Yes, Your Honor, Gaytri Kachroo
21 here.

22 THE COURT: And Ms. Kachroo, I understand, since
23 you were a claimant in the original litigation but you
24 are no longer a member of the Bar, that you are
25 entitled to be here representing yourself pro se; is

1 that correct?

2 MS. KACHROO: That is correct, Your Honor.

3 THE COURT: Okay. This is rather a strange
4 situation that the Court has tried to become familiar
5 with over the last day or two.

6 As I understand it, Ms. Davis, your client,
7 Rapid Pharmaceuticals AG, is a bankrupt in Switzerland,
8 and we've been -- we've heard from the -- what I would
9 say would be the equivalent of the Trustee in
10 Bankruptcy, a Mr. Trochler, that there is no further
11 interest of the Trustee in this matter --

12 MS. DAVIS: Your Honor --

13 THE COURT: -- am I correct?

14 MS. DAVIS: That's correct, Your Honor. And at
15 this point, given the status of the bankruptcy and the
16 fact that Ms. Kachroo, unfortunately, is no longer
17 licensed based on the allegations that led to our
18 complaint, my client is inclined not to go forward with
19 the complaint, provided that claims and counterclaims
20 are jointly dismissed, each party bearing some costs.

21 THE COURT: Well, I appreciate that, and I think
22 it's helpful for you to be here, but technically you
23 don't have a client anymore; isn't that right?

24 MS. DAVIS: Our client -- Your Honor, going back
25 a ways, there is some confusion in terms of the whole

1 process. I think the confusion in the Bankruptcy Court
2 in Switzerland, which has now resulted in the letter
3 that you have seen, there is confusion over shares. As
4 set forth in the complaint, there were shares that were
5 provided to Ms. Kachroo and given to Arise that were
6 done so in her capacity as general counsel, which she
7 assigned to herself, which led to a great deal of
8 confusion.

9 My clients were the main investors in Rapid AG,
10 and as a result of the bankruptcy, which we have been
11 keeping abreast of and speaking with our client about,
12 it looks like they have resolved things in a manner
13 over there that does in many ways resolve things here,
14 and my client, similarly, does not want to pursue.

15 THE COURT: Okay, fair enough.

16 Let me hear I guess first from Mr. Boudett who
17 is the soon-to-be former counsel for Arise -- let me
18 see here -- the full name of which is Arise Biopharma,
19 Inc.; is that right?

20 MR. BOUDETT: That's correct, Your Honor.

21 THE COURT: And you've been trying to be in
22 touch with your client for some period of time, at
23 least your firm has been, and unable, and so you, about
24 four or five months ago, filed a motion to withdraw as
25 their counsel -- right? -- understanding that they were

1 trying to get new counsel to file an appearance but
2 that hadn't occurred.

3 MR. BOUDETT: That's right, Your Honor. We were
4 trying to wait and make it more orderly and do the
5 normal thing of withdrawing once new counsel had
6 appeared. We didn't understand the reasons for delay.
7 We waited about six months, and we felt it was time to
8 inform the Court that we actually have no point of
9 contact with this corporation, no instructions and no
10 client relationship.

11 But I think now that we do have successor
12 counsel, that all kind of falls by the wayside, and I
13 think it's the more normal withdrawal, unless the Court
14 thinks differently.

15 THE COURT: And I agree. Up until the day
16 before yesterday when we found out that Mr. Ahern was
17 going to file an appearance, it did look like there was
18 some matters that needed your attention, but now I
19 don't think that's necessary. But I'd like to hear
20 from Mr. Ahern now with respect to his new client.

21 MS. DAVIS: Yes, Your Honor. We have no
22 objection to the withdrawal.

23 THE COURT: Okay. And beyond that, though, I
24 take it there is no counterclaim left because there's
25 nothing against which to counterclaim; is that fair to

1 say?

2 MR. AHERN: Yes. Arise never put forth a
3 counterclaim, Your Honor.

4 THE COURT: Oh, it was only Ms. Kachroo in her
5 individual capacity?

6 MR. AHERN: Yes.

7 THE COURT: Okay.

8 MR. AHERN: So we have no objection to the
9 dismissal on the same terms as discussed by
10 Attorney Davis.

11 THE COURT: All right. Well, we're two-thirds
12 of the way there.

13 Now, I need to address Ms. Kachroo. And I have
14 in hand at least a copy of your statement to the Court,
15 Ms. Kachroo, which you signed I believe as of
16 yesterday. I don't have the signed copy, but I have a
17 facsimile or an electronic signature, and I just need
18 you to adopt that statement. Do you still stand by it?

19 MS. KACHROO: I do still stand by it. I do have
20 a question, however, of Ms. Davis. She just made some
21 remarks with regard to the shareholding in Arise, which
22 I did not understand.

23 THE COURT: Well, okay. We'll get her to
24 explain that, but I want to hear from you that you
25 confirm the statements that were made in this document

1 that was filed with the Court yesterday entitled,
2 "Defendant Gaytri Kachroo's Statement to the Court"
3 dated April 17th, 2019.

4 MS. KACHROO: Yes, Your Honor, I do adopt what
5 I've written in the statement, and I affirm here that,
6 should Rapid be -- dismiss these claims against me, I
7 will dismiss the counterclaims because in fact there is
8 nothing to counterclaim against.

9 THE COURT: All right. Thank you.

10 I'll hear maybe from Ms. Davis, if you can
11 enlighten Ms. Kachroo as to her comments.

12 MS. DAVIS: Certainly. And first, Your Honor, I
13 would like to say we don't agree with the statements as
14 they're written in this notice, for the record.

15 THE COURT: You mean in Ms. Kachroo's notice?

16 MS. DAVIS: That's correct.

17 THE COURT: Okay.

18 MS. DAVIS: In terms of the statement that I
19 made regarding shares, I'm referring not to Arise but
20 shares in Rapid AG, and it really is set out fully in
21 the complaint that was filed many years ago at this
22 point in terms of the conflict over who owned what
23 shares, what shares Ms. Kachroo acquired, as she was
24 employed by Rapid AG, and really the disagreements over
25 who was in control of that organization and who was in

1 control of the assets.

2 THE COURT: Okay.

3 MS. DAVIS: So I'm referring very broadly really
4 to the disagreements in terms of ownership and control.

5 THE COURT: All right. Well, I would suggest
6 that this is an academic exercise, it being understood
7 by all parties that all counts, the claims of the
8 Plaintiff, Rapid Pharmaceuticals AG, and the
9 counterclaims of Ms. Kachroo that were not joined in by
10 the corporate Defendant will be dismissed with
11 prejudice as of today.

12 MS. DAVIS: I agree, Your Honor.

13 THE COURT: Does everybody understand that?

14 MS. KACHROO: Yes. Yes, Your Honor.

15 THE COURT: Okay. And I'll hear from --
16 actually, I'll allow the current Defendant's counsel to
17 address that issue. Mr. Ahern.

18 MS. DAVIS: Yes, Your Honor, we agree.

19 THE COURT: All right. And, finally, Ms. Davis,
20 just for the record.

21 MS. DAVIS: We agree. We would only request
22 that the finding be made that the costs and fees are
23 not traded between the party but each party bears its
24 own costs and fees.

25 THE COURT: Yes, each side will bear their own

1 costs and fees, everybody understands that; am I
2 correct?

3 MS. DAVIS: Thank you.

4 THE COURT: Defendants?

5 MS. KACHROO: Yes, Your Honor.

6 MR. AHERN: Yes, Your Honor.

7 THE COURT: Okay. Then, is there anything else
8 that we need to address at this stage? The case will
9 be dismissed with prejudice. It has been a long time
10 coming, and it is a tortured docket that the Court has
11 just recently discovered. I don't know -- it's
12 probably on our own nickel, if you will, that we have
13 been not been able to address this sooner. Something
14 in the Clerk's office should be addressed so that we
15 don't let cases like this just simply just dissolve, if
16 you will, for three or four years, which is what's
17 happened in this case. But, thankfully, we have now
18 addressed the issues, and the matter will be behind us.

19 Anything else, counsel?

20 MS. DAVIS: Nothing from Plaintiff.

21 THE COURT: Or Ms. Kachroo?

22 MS. KACHROO: No, thank you. Thank you very
23 much, Your Honor.

24 THE COURT: Okay, thank you. We're adjourned.

25 (Adjourned, 11:18 a.m.)

C E R T I F I C A T I O N

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9 I, Debra D. Lajoie, RPR-FCRR-CRI-RMR, do
10 hereby certify that the foregoing pages are a true and
11 accurate transcription of my stenographic notes in the
12 above-entitled case.
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18 /s/ Debra D. Lajoie
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