

INVESTING, MARKETS

Biotech Startup Early Investor Disappointed After Learning She Received 'Placebo' Stock, Containing No Actual Equity

BY CHRISTOPHER ROMANO ON MARCH 2, 2021



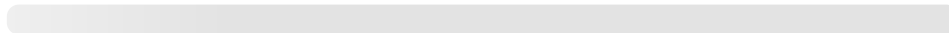
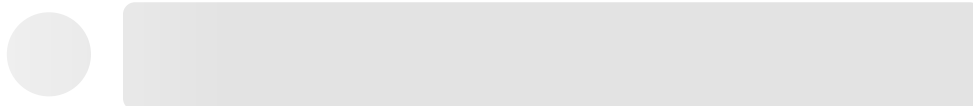
Sandra Connolley, an early investor in Biopharmaceutical startup MediPharm, awoke Monday morning to disappointing news about her investment. Connolley had been excited to see the MediPharm stock she purchased at \$8 jump to \$36; but when she tried to cash in her shares, she discovered a harsh truth. Of the 48 people that purchased MediPharm shares in January, 24 had been assigned 'placebo shares' containing no actual equity of the company. Connolly was one of the 24.

When reached for comment, MediPharm explained that issuing placebo shares was necessary, as without them, there would be no way of knowing if the real, equity containing shares were actually gaining value. MediPharm expressed sympathy for Connolly, claiming she had been an enthusiastic investor and that the company would have given her real shares if doing so wasn't a flagrant violation of medical ethics.

Connolley considers the affair a learning experience. "It wasn't my first time being screwed over, but it was my first time experiencing the placebo effect," Connolly said to reporters. "It was surreal, it really felt like I was holding those shares. I received email updates on price

movements and even was paid a dividend at one point! I guess it goes to show the power of the human mind.”

More details about MediPharm’s future can be found here on Hard Money, or by reading their latest prospectus on clinicaltrials.gov.

[biotech](#)[placebos](#)

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