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CytoDyn (CYDY): Why is This Alleged Ponzi Artist one of the Largest Shareholders?

Aside from what we believe are CytoDyn’s numerous false and misleading statements that the Company continues to make by the day, our original report highlighted an entity named Cool Blue Capital, LLC. Cool Blue was registered just days before CytoDyn filed its first Form S-3 in connection with the Company’s numerous, in our view, predatory backdoor financings. Most recently, CytoDyn’s Form S-3 filed April 30 indicates that Cool Blue is not only one of the largest shareholders at 4% of the Company, but have registered to sell over 20 million shares, warrants, and options, the vast majority of its stake:

<table>
<thead>
<tr>
<th>Name of Selling Stockholder</th>
<th>Shares Beneficially Owned Pre-Offering(1)</th>
<th>% Owned Pre-Offering(2)</th>
<th>Common Stock Offered in this Offering(3)</th>
<th>Warrant &amp; Stock Option Shares Offered in this Offering(4)</th>
<th>Number of Shares Offered in this Offering(4)</th>
<th>% of Shares Post-Offering(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amarex Clinical Research, LLC</td>
<td>350,000</td>
<td>*</td>
<td>—</td>
<td>150,000</td>
<td>200,000</td>
<td>*</td>
</tr>
<tr>
<td>Bruce Patterson</td>
<td>569,747</td>
<td>*</td>
<td>—</td>
<td>400,000</td>
<td>639,747</td>
<td>*</td>
</tr>
<tr>
<td>Cool Blue Capital, LLC</td>
<td>21,245,875</td>
<td>4%</td>
<td>15,804,000</td>
<td>4,835,625</td>
<td>606,250</td>
<td>*</td>
</tr>
</tbody>
</table>

So, who is Cool Blue Capital? Cool Blue’s registered agent is “C BRENT ORR,” otherwise Conrad Brent Orr:

In light of Cool Blue’s substantial shareholding and continued participation in the Company’s numerous backdoor offerings, Cool Blue / Conrad Brent Orr ought to be of interest to CytoDyn investors. As such, we were concerned to uncover multiple allegations of fraud perpetrated by Brent Orr, including both a $50 million Ponzi scheme and securities fraud involving claims to the recovery of “sunken and hidden treasure in the form of gold bullion.” See the following from Orr’s alleged involvement in a $50 million Ponzi scheme:

2. On January 24, 2011, the Commodity Futures Trading Commission (the “CFTC”) filed a Complaint against the Receivership Defendants in the United States District Court for the District of Utah, Case No. 2:11CV00099 BSJ (“CFTC Action”). This suit alleges, among other things, that the Receivership Defendants operated an investment program in violation of the registration, licensing, and anti-fraud requirements of the federal commodities laws. In essence, the CFTC alleges that the Receivership Defendants engaged in a Ponzi scheme whereby over $50 million was fraudulently taken from investors.
More recently, in February 2020, the Arizona Corporation Commission (ACC) issued cease and desist orders against a collection of participants in a securities fraud scheme that the ACC had been litigating for the past several years. The entire 88-page C&D order is a sobering account of several investors who were allegedly scammed after the Wycliffe Trust, among others, claimed the ability to “recover hidden treasure” from the Philippines. Brent Orr’s name appears alongside Vernon Twyman on numerous offering documents by Advanced Recovery Systems, Inc., Asian Precious Metals, Inc., and as an officer of Wycliffe:

Orr also runs Cornerstone Energy Development, Inc., and though he resides in Oklahoma, Dun & Bradstreet shows that Cornerstone is located in Taguig, Manila, Philippines, where Wycliffe claimed to be recovering hidden treasure, and where Brent Orr has apparently installed his son as the manager:
As such, we believe Orr is integral to the operation which preyed on the victims’ Christian faith, and claimed to provide investors with 9.5x returns within 6 to 9 months:

Mr. Brunt, the victim in the instance we highlight above, “invested” $250,000, yet has only recovered $2,000 of his original “investment”, with the balance disappearing into Wycliffe Trust coffers:
As such, the ACC issued its cease & desist order, restitution, and numerous fines. We believe CytoDyn investors ought to ask why one of the Company’s largest shareholders, who allegedly ran a Ponzi scheme and is now facing securities fraud allegations for a scheme to recover hidden gold treasure, has been consistently involved in the Company’s backdoor financings, and has now filed to sell the vast majority of their shares.