

From: Vahe Stepanian <[REDACTED]>
To: Jeffrey Epstein <jeevacation@gmail.com>
CC: Daniel Sabba <[REDACTED]>, Ariane Dwyer <[REDACTED]>, Paul Morris <[REDACTED]>, Stewart Oldfield <[REDACTED]>, Richard Kahn <[REDACTED]>

Subject: AAVL: (BN) Avalanche Drops as Gene Therapy Trial Miss High Expectation [C]

Date: Tue, 16 Jun 2015 14:02:02 +0000

Inline-Images: image002.jpg

Classification: **Confidential**

Jeffrey – we are following up with the below news regarding AAVL. The stock is trading down \$19.11 to \$19.7657 per the Bloomberg screenshot below.

Please let us know how you would like to proceed with your position.

Thank you,
 Vahe

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AAVL US		\$ 5	19.7657	-19.11	B19.76 / 19.86K		1x3	
At 9:42		Vol	2,757,437	O 19.22Q	H 21.00Q	L 19.22Q	Val 55.752M	
AAVL US Equity		Export to Excel			Page 1/6		Historical Price Table	
Avalanche Biotechnologies Inc								
Range	07/30/2014	-	06/16/2015	Period	Daily	High	60.08 on 01/07/15	
Market	Last Price	Volume	Currency	USD	Average	37.4273	298,642	
View	Price Table			Net Chg	2.75	16.18%		
Date	Last Price	Volume	Date	Last Price	Volume	Date	Last Price	Volume
Fr 06/19/15			Fr 05/29/15	37.28	333,267	Fr 05/08/15	32.47	228,553
Th 06/18/15			Th 05/28/15	37.26	412,815	Th 05/07/15	33.04	214,411
We 06/17/15			We 05/27/15	39.13	444,839	We 05/06/15	33.39	460,598
Tu 06/16/15	19.75	2,696,176	Tu 05/26/15	37.02	295,552	Tu 05/05/15	29.44	236,054
Mo 06/15/15	38.88	2,075,961	Mo 05/25/15			Mo 05/04/15	31.00	488,536
Fr 06/12/15	41.40	481,003	Fr 05/22/15	38.03	204,109	Fr 05/01/15	33.17	267,282
Th 06/11/15	40.79	315,535	Th 05/21/15	38.83	576,822	Th 04/30/15	31.86	336,730
We 06/10/15	39.73	358,955	We 05/20/15	39.05	381,443	We 04/29/15	35.04	249,917
Tu 06/09/15	37.03	378,175	Tu 05/19/15	38.24	352,371	Tu 04/28/15	36.32	309,973
Mo 06/08/15	37.70	340,492	Mo 05/18/15	36.67	373,114	Mo 04/27/15	35.36	510,565
Fr 06/05/15	40.28	343,172	Fr 05/15/15	35.10	326,323	Fr 04/24/15	37.57	166,943
Th 06/04/15	38.82	244,332	Th 05/14/15	35.95	301,062	Th 04/23/15	38.49	161,093
We 06/03/15	37.51	391,270	We 05/13/15	35.65	234,306	We 04/22/15	38.93	246,169
Tu 06/02/15	37.52	256,238	Tu 05/12/15	33.88	196,568	Tu 04/21/15	39.35	216,979
Mo 06/01/15	37.24	306,959	Mo 05/11/15	34.85	261,310	Mo 04/20/15	39.52	218,212

-----Original Message-----

From: Vahe Stepanian (DEUTSCHE BANK SECURI) [mailto:stepvah@bloomberg.net]

Sent: Tuesday, June 16, 2015 9:41 AM

Subject: (BN) Avalanche Drops as Gene Therapy Trial Miss High Expectation

(BN) Avalanche Drops as Gene Therapy Trial Miss High Expectation s (1)

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Avalanche Drops as Gene Therapy Trial Miss High Expectations (1)
2015-06-15 21:36:53.569 GMT

(Updates with analyst's comment in fourth paragraph.)

By Danielle Burger

(Bloomberg) -- Avalanche Biotechnologies Inc. shares tumbled after some patients in a safety study of its gene therapy for an age-related chronic eye disease still required injections from another drug.

After the company released trial data Monday, shares fell as much as 32 percent to \$26.40 in late trading. The study assessed AVA-101's safety for patients with the disease, called wet age-related macular degeneration or wet AMD.

Although the study wasn't designed to show statistically significant differences, the group treated with AVA-101 got an average of two extra injections of Roche Holding AG's Lucentis, compared with four for the control group.

"When a company is valued at \$1 billion at a phase 2 trial, the expectations are quite high," said Gbola Amusa, an analyst at Chardan Capital Markets in New York who has a neutral rating on the stock.

Of the 21 patients who received the drug, 42.9 percent had better or stable vision. That compared with 9.1 percent of patients in the control group of 11 patients.

If approved, AVA-101 would be the first gene therapy for the condition and could replace current options made by Regeneron Pharmaceuticals Inc. and Roche that require monthly injections in the eye. Avalanche's treatment theoretically fixes disease-causing genetic code with only one injection. The treatments generate more than \$1.7 billion in annual sales for each company, or about two-thirds of Regeneron's sales.

Current options "create a burden and an inability to comply with treatments, which leads to vision loss," Thomas Chalberg, chief executive officer of Avalanche, said in an interview. "Our goal is to bring this to the majority of wet AMD patients who have a need for frequent injections."

Avalanche plans a study on the effectiveness of AVA-101 in the second half of this year, Chalberg said.

Wet AMD affects 150,000 people in the U.S., according to Avalanche. It typically occurs with aging patients when fluid from blood vessels leaks into the retina, causing loss of vision and blindness.

No serious adverse events related to AVA-101 were recorded in the trial, and the study met its main 12-month goal for safety. Patients in the AVA-101 group also showed an average improvement on a vision test, compared with an average decline for the control group.

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