

Biopharma Co. Brass Sued Over 'Channel Stuffing' Disclosures

By **Katryna Perera**

Law360 (August 24, 2026, 8:23 PM EDT) -- The top brass of pharmaceutical company ADMA Biologics Inc., among other things, failed to disclose certain related-party transactions the company engaged in and a channel-stuffing scheme to create the appearance of revenue, according to a shareholder derivative suit filed Monday.

Plaintiff Derfel Zunya **filed a complaint** against ADMA's CEO Adam Grossman, its Chief Financial Officer Brad Tade and several board members, alleging that between August 2024 and March 2026, ADMA's regulatory filings failed to disclose transactions with related party Genesis BioPharma Services, which operates out of ADMA's headquarters

The defendants allegedly hid from investors that ADMA was shipping unwanted amounts of the company's immunoglobulin products to distributors — in a practice known as channel stuffing — to create the appearance of heightened demand and revenue.

Zunya also alleged ADMA did not have effective risk oversight mechanisms or internal controls in place.

According to the complaint, ADMA is a biopharmaceutical company based in New Jersey that manufactures, markets and develops specialty plasma-derived biologic therapies that are used to prevent and treat infectious diseases in immunocompromised patients.

Zunya said the truth began to emerge in March, when short seller Culper Research issued a report stating it was shorting ADMA's stock based on claims of channel stuffing.

"We believe ADMA's reported growth is a fiction driven more than entirely by a de facto channel stuffing scheme and an undisclosed related party distributor," the short seller's report stated, according to Zunya's complaint. "We estimate that, absent channel stuffing, ADMA revenues declined 3% in 2025 vs. +20% reported."

The Culper report also quoted a former ADMA sales representative who stated ADMA would encourage distributors to "order more to goose the channel, and then it just sits there," according to the complaint.

On this news, ADMA's stock price fell by \$2.26 per share, or roughly 16%, to close at \$11.33 per share on March 24, Zunya said. It fell an additional \$1.70, or 15%, the next day, according to the complaint.

On March 25, ADMA issued a press release asserting Culper's report was "premised on speculative assertions derived from unidentified and unreliable sources and contains numerous misleading, false and inaccurate statements."

However, Zunya said the market was "unpersuaded" by ADMA's response, and the company's stock fell again by \$1.34 per share, or 13.9%, to close at \$8.29 on March 26.

The complaint additionally alleges that during the relevant period, while ADMA's stock price was artificially inflated, the defendants sold approximately 922,000 shares of ADMA common stock, totaling proceeds of over \$17 million, and they caused ADMA to repurchase more than eight million shares of its own stock.

The suit seeks damages, reforms and improvements to ADMA's corporate governance and internal procedures, attorney fees and a jury trial.

Representatives for the parties did not respond to requests for comment Monday.

Zunya is represented by Gina M. Serra, Vincent A. Licata and Leah B. Wihtelin of Rigrodsky Law PA, and Joshua H. Grabar of Grabar Law Office.

Counsel information for the defendants was not available Monday.

The case is Zunya v. Elms et al., case number 2:26-cv-10811, in the U.S. District Court for the District of New Jersey.

--Editing by Lakshna Mehta.