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Abraham, Fruchter & Twersky, LLP Announces Filing of Class Action Lawsuit against Elan Corporation, PLC

NEW YORK--(BUSINESS WIRE)--Abraham, Fruchter & Twersky, LLP announces that a class action lawsuit has been filed in the United States District Court for the Southern District of New York on behalf of a class (the "Class") of investors who purchased Elan Corporation, PLC ("Elan" or the "Company") (NYSE:ELN) common stock between the period of July 2, 2009 through August 5, 2009.

The Complaint alleges Elan and certain of its officers and directors with violating Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by making false and misleading statements regarding the July 2, 2009 sale of the Company's rights to its Alzheimer Immunotherapy Program ("AIP") to Johnson & Johnson ("JNJ"). The Complaint alleges that Elan failed to disclose that a provision in their definitive agreement with JNJ would violate the terms of an existing agreement between the Company and Biogen Idec Inc. ("Biogen") related to their joint development and sale of multiple sclerosis drug Tysabri. As a result of the violation, Elan was forced to renegotiate the terms of its sale of AIP, whereby JNJ paid \$115 million less to Elan than previously agreed.

On August 6, 2009, Elan issued a press release disclosing the breach of their agreement with Biogen to the public. In a reaction to this news, shares of Elan common stock fell from prices trading as high as \$8.58 per share to close on February 6, 2009 at \$7.64 per share, representing a drop of more than 11%, on abnormally high trading volume.

If you purchased Elan common stock between July 2, 2009 through August 5, 2009 and you wish to serve as lead plaintiff in this action, you must move the Court no later than April 26, 2011. Any member of the proposed class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed class.

If you would like to discuss this action or if you have any questions concerning this notice or your rights as a potential class member or lead plaintiff, you may contact: Jack G. Fruchter or Arthur J. Chen of Abraham, Fruchter & Twersky, LLP toll free at (800) 440-8986, or via e-mail at info@aftlaw.com or achen@aftlaw.com.

Abraham, Fruchter & Twersky, LLP has extensive experience in securities class action cases, and the firm has been ranked among the leading class action law firms in terms of recoveries achieved by a survey of class action law firms conducted by Institutional Shareholder Services.

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Contacts

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