

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE IMMUCOR, INC. SECURITIES LITIGATION	FILE NO. 1:05-CV-2276-WSD
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CONSOLIDATED CLASS ACTION COMPLAINT

INTRODUCTION

1. This is a securities class action on behalf of all purchasers of the securities of Immucor, Inc. (“Immucor” or the “Company”) between August 16, 2004 and August 29, 2005 (the “Class Period”) seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”). Defendants are Immucor, Edward L. Gallup (“Gallup”), Gioacchino De Chirico (“De Chirico”), and Steven C. Ramsey (“Ramsey”), each of whom was a senior officer and/or director of Immucor during the time the fraud complained about herein was committed.¹

NATURE OF THE ACTION

2. Immucor is the self-proclaimed global leader in providing automated instrument-reagent systems to the blood transfusion industry. In the mid to late

¹ Immucor, Gallup, De Chirico and Ramsey are sometimes collectively referred to as “Defendants.”

1990's, Immucor was a company in crisis. Plagued by internal scandals and a lack of controls involving its European operations, CEO Ed Gallup determined that he had to "clean up Europe" and promoted De Chirico, the President of Immucor's Italian subsidiary, to oversee all of Immucor's European operations. Gallup knew that gaining control over the European operations was critical to the Company's success because those operations traditionally accounted for more than half of the Company's net sales.

3. De Chirico's influence produced quick dividends. Buoyed by the rollout of its Galileo product, Immucor's European operations enjoyed tremendous financial success under De Chirico's leadership in a particularly competitive climate.

4. This success did not go unnoticed at the Company's Georgia headquarters. Gallup tabbed De Chirico to be his successor in the hopes that he could duplicate the successful promotion of Galileo in the United States. De Chirico ultimately assumed the role of Immucor's CEO in May 2004.

5. The truth, however, was that De Chirico's success in Europe was a fiction. Rather than "clean up Europe," De Chirico perpetuated the corrupt practices that had previously threatened to undermine the Company's business. With the help of his cronies, De Chirico drove the Company's European business not with well crafted and proven sales techniques, but with bribery, contract-rigging and a host of

other illegal practices. In reality, the Company's European operations were out of control.

6. In September, 2004, Italian authorities charged several individuals, including Immucor's chief Italian representative, Giuseppe Straziota ("Straziota"), with corruption and bribery relating to contract-rigging in favor of Immucor at a top hospital in Milan. While this news received scant coverage in the U.S., it was a major story in the Italian press because the scandal implicated the Italian Minister of Health, Girolama Sirchia ("Sirchia"), and his close friend, Francesco Mercuriali ("Mercuriali"), who served as head of the immunology unit at the Milan hospital at issue.

7. Given the seriousness of the alleged illegal acts, and the direct involvement of the Company's newly appointed CEO, Defendants knew that they could not sweep the issue under the rug. But, rather than fully disclose to the investing public the whole truth about the Company's involvement in the illegal conduct, Defendants engaged in a fraudulent scheme to minimize the impact of the scandal on the Company's stock price by falsely assuring the market that the Company engaged in little or no wrongdoing. These stout denials had the desired effect of artificially inflating the Company's stock price throughout the Class Period to a high of \$34.98.

8. As the Italian press continued to report the details of the scandal, Defendants remained steadfast in their denials and concocted a tale that the purported bribes were legal payments for consulting services rendered. Inevitably, the Company could no longer deny the veracity of the facts reported in the Italian press, as its own investigation, conducted by PriceWaterhouseCoopers ("PwC"), revealed that the Company made 90 payments to various doctors, at least 20 of which were legally doubtful. On Friday, August 26, 2005, the Company disclosed that the Securities and Exchange Commission ("SEC") issued a formal order in connection with its investigation of payments made by the Company's Italian subsidiary to individuals associated with government medical facilities. The next trading day, Monday, August 29, 2005, the Company dropped another bombshell. The Company announced the resignation of CFO Ramsey and that previously-reported net income for fiscal 2005 (ending May 31, 2005), including the third and fourth quarters of 2005, was being revised downward to account for a previously unrecorded accrual for employee bonuses. As a result of these back-to-back adverse disclosures impacting senior management's credibility and honesty, the marketplace punished the Company's stock. From a close of \$28.61 per share on August 25, 2005, the Company's stock closed at \$23.58 per share on September 1, 2005, a drop of \$5.03 or over 17%, on heavy volume.

9. At the same time Defendants were misleading the market about the extent of corruption in its European operations and inflating net income, Gallup, in possession of material non-public information, sold over 205,000 shares of Immucor common stock, representing over 55% of his own personal holdings, and reaped proceeds of over \$4 million.

JURISDICTION AND VENUE

10. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j (b) and 78t (a), and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission, 17 C.F.R. § 240.10b-5.

11. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1337, and Section 27 of the Exchange Act, 15 U.S.C. § 78aa.

12. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C. §§ 1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District and Immucor conducts business in this District. Additionally, the Company maintains a principal executive office in this Judicial District.

13. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communication facilities of the national securities exchange.

PARTIES

14. Lead Plaintiffs West Virginia Laborers' Pension Trust Fund, Western Washington Laborers-Employers Pension Trust, Penny Reno, Pedro Simoes and Marlin Cobb ("Lead Plaintiffs") were appointed as lead plaintiffs by Order of the Court dated December 30, 2005. Lead Plaintiffs purchased Immucor securities at artificially inflated prices during the Class Period and suffered economic losses when the true facts about the Company's business condition were publicly disclosed.

15. Immucor is a Georgia corporation with its principal executive offices located at 3130 Gateway Drive, P.O. Box 5625, Norcross, GA 30091-5625. Immucor develops, manufactures, markets and distributes immunological diagnostic medical products worldwide. Immucor's line of reagents and automated systems are used by hospitals, clinical laboratories, and blood banks to test, detect and identify certain properties of cell and serum components of human blood.

16. Gallup co-founded the Company in 1982. During the Class Period, Gallup served as Chief Executive Officer and Chairman of the Board of Directors of Immucor.

17. De Chirico, known throughout the Company as “Nino,” served as the President of Immucor Italia S.r.l. until 1998 when he became Immucor’s Director of European Operations. He was promoted to Chief Operating Officer and President of Immucor in July 2003 and then promoted to Chief Executive Officer in May 2004. At the beginning of the Class Period, De Chirico relinquished his role as CEO, but remained the Company’s President throughout the Class Period.

18. Ramsey served as Immucor’s Chief Financial Officer, Principal Accounting Officer and Vice President throughout the Class Period until August 29, 2005 when his resignation was announced.²

CLASS ACTION ALLEGATIONS

19. Lead Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the securities of Immucor between August 16, 2004 to August 29, 2005, inclusive, and who were damaged as a result of the fraudulent scheme undertaken by

² Gallup, De Chirico and Ramsey are sometimes collectively referred to as “Individual Defendants.”

Defendants and suffered economic loss suffered when the true facts were revealed to the public. Excluded from the Class are Defendants, the officers and directors of the Company, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

20. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Immucor common shares and other securities were actively traded on Nasdaq. While the exact number of Class members is unknown to Lead Plaintiffs at this time and can only be ascertained through appropriate discovery, Lead Plaintiffs believe that there are thousands of members in the proposed Class. Record holders and other members of the Class may be identified from records maintained by Immucor or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

21. Lead Plaintiffs' claims are typical of the claims of members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

22. Lead Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

23. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether Defendants implemented the manipulative devices or engaged in the wrongful scheme alleged herein;

(b) whether Defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;

(c) whether Defendants' misrepresented material facts;

(d) whether the 1934 Act was violated by Defendants' acts alleged herein;

(e) whether Defendants knew or were severely reckless in disregarding that the statements made by them were false and misleading;

(f) whether the prices of Immucor's publicly traded securities were artificially inflated; and

(g) the extent of damage sustained by Class members and the appropriate measure of damages.

24. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

Background

25. Founded in 1982 by Gallup and Ralph Eatz, Immucor manufactures and sells a complete line of reagents and systems used by hospitals, reference laboratories and donor centers to detect and identify certain properties of the cell and serum components of blood prior to transfusion. Immucor markets a complete family of automated instrumentation for all of our market segments.

26. Historically, the Company's European operations had driven its profitability, accounting for over 36 to 62 percent of the Company's overall sales from 1993 to the present:

YEAR	FOREIGN NET SALES	PERCENTAGE OF COMPANY'S TOTAL NET SALES
1993	\$17,633,000	58.6%
1994	\$16,356,000	55.3%
1995	\$16,187,000	56.0%
1996	\$ 18,168,000	58.7%
1997	\$ 22,130,000	62.1%
1998	\$ 24,101,000	61.0%
1999	\$ 30,200,000	51%
2000	\$35,100,000	46%
2001	\$31,300,000	45%
2002	\$ 31,300,000	37%
2003	\$ 38,100,000	38%
2004	\$44,900,000	39.9%
2005	\$ 53,400,000	36.9%

27. Europe played such a big role in the Company's fortunes because its blood banking industry was much more developed than in the U.S. As a former sales director employed by the Company from 2000 to 2004 explained, European hospitals

and related entities have used automated blood banking products since the 1980s – far earlier than in the U.S. -- thus allowing Immucor to market and sell its newly developed automated blood banking systems prior to their approved release in the U.S.

28. The Company's European operations were organized through a network of international distributors and affiliates. According to a former vice president employed by the Company from 1997 to 2001, the Company initially entered into international distributor relationships with companies looking to sell the Company's products. This former employee explained that, when distributors met certain sales goals, they would be purchased and "fold[ed] [] into the Company as a [wholly owned] subsidiary." Through the years, the Company established affiliates in Italy, Germany, Spain and the Netherlands.

29. Among these affiliates, the Company considered Italy and Germany to be the most important European markets in terms of sales, employees and market development. As Gallup and De Chirico explained in a January 7, 2004 analyst conference call:

Gallup: We are right on target in Italy for Galileo, where we have about 100,000 Euro on average coming off every instrument. And Italy is our biggest market where we sell direct. When we get into the French market, where we use Biorad, the reagent trial is – Nino, would you say closer to 50,000?

De Chirico: Yes.

30. As De Chirico further noted in a September 29, 2004 earnings conference call:

Analyst: Okay. As far as Europe, I guess Germany is a really important part of what is going to happen in Europe, right?

De Chirico: Well Italy is maybe bigger than Germany or equal.

Analyst: Really? So for now the focus will be more on what is happening in Italy?

De Chirico: Italy, Germany.

De Chirico's Rise to Power

31. In 1997, an internal scandal rocked the Company. Josef Wilms, the founder and President of Immucor's German subsidiary, resigned in disgrace after it was discovered that he had been embezzling money from the Company for over three years. All told, Wilms had embezzled more than \$2 million from the Company through a series of personal loans issued by the Company's German subsidiary that Wilms used to speculate in Portuguese real estate investments. Although Wilms was forced to resign from the Company, Gallup retained his services as a paid consultant because, according to a former managing director employed at the Company's

German subsidiary from 1992 until 2000, Gallup “wanted to make things look not so big to the outside world.”

32. As a result of this conduct, a former director of sales employed by the Company from 2000 to 2004 noted that “Ed [Gallup] needed someone to clean up Europe” because “he realized that there was a lack of control.” In turn, in May 1998, Gallup appointed De Chirico, an experienced and well connected player in the European blood banking business who had been serving as President of Immucor’s Italian subsidiary, to serve as the Director of European Operations.

33. De Chirico immediately came in and took control over the European operations. According to a former controller employed at Immucor’s Italian subsidiary from 1996 to 2005, De Chirico took a very hard line when it came to running Immucor’s German subsidiary. According to this former employee, in order to maintain control, De Chirico threatened that any employee in the German subsidiary could be fired at any time because they worked for Wilms and were somehow involved in his misconduct. This former employee described De Chirico’s tactics as “blackmail” because he believed that the “best way to keep control over people is to let them know you know what happened, that there is always a threat that they could be fired.” As a result, De Chirico had “total control over [those] people.”

34. This former Italian controller further described De Chirico as an extremely “hands on” manager who kept informed about all aspects of the operations under his control and was particularly interested in the Company’s German and Italian operations. In fact, according to a former vice president employed by the Company from 1997 to 2001, all of the European affiliates and country managers reported into him. A former controller employed at the Company’s Italian subsidiary from 1996 to 2005 reported that “[a]ll expenses [of the Italian operations] were decided and authorized by Dr. De Chirico.” According to this former controller, any “consulting fees” that were paid to any doctors or hospitals were “absolutely the responsibility of Dr. De Chirico and his direct staff,” which included his secretary, Serena Mengovi.

35. As part of his duties in overseeing the European operations, De Chirico participated by conference call in monthly “Management Review Meetings” or “officer meetings” attended by all vice president level executives and above, including Gallup and Ramsey, at the Company’s headquarters. According to a former vice president employed by the Company from 1997 to 2001 who attended these meetings, the Company executives always discussed “sales numbers and the direction of the Company.” In addition, De Chirico held sales meetings once a quarter at various locations throughout Europe, which, according to a former managing director employed at Immucor’s German subsidiary from 1992 to 2000, “were mostly for

motivation and to go over the numbers.” De Chirico also chaired the Company’s Annual European Sales meeting at which all country managers reported on their financial results, new products and market trends.

36. When Gallup, Ramsey and other Company executives traveled to Europe on Company business, De Chirico would usually meet with them to discuss any issues that had arisen. On one occasion, a former controller employed at the Company’s Italian subsidiary from 1996 to 2005 recalled that Gallup traveled to Milan, Italy in 2000 or 2001 to attend a meeting organized by De Chirico. This former employee described the meeting, which took place in the conference room of Milan’s most important local bank, as an important forum of doctors in Milan.

37. De Chirico also maintained a close relationship with his long-time friend and former boss, Straziota. According to the former Italian controller, De Chirico and Straziota worked together at Immucor since 1996. Straziota served as the Field Sales Manager for Southern Italy through which he was responsible for coordinating the sales force in Southern Italy.

38. By 2001, De Chirico saw an opportunity to make a big splash with the rollout of the Company’s major new product in Europe, Galileo. Galileo was the Company’s second generation automated blood bank testing system effectively replacing the Company’s “revolutionary” ABS2000 system. Highlighting the

importance of Galileo to the success of the Company, Immucor's 2000 Annual Report touted Galileo as the way to "restructur[e] the [blood bank] market through automation" and "firmly establish [itself] as the world leader in blood bank automation." According to a former sales director employed by the Company from 2000 to 2004, when Galileo was released in Europe, De Chirico "was quite aggressive in selling it." In this regard, De Chirico would describe himself to customers as "the father of Galileo" and even claimed that the product was named "Galileo" because De Chirico and Galileo were both Italian.

39. Sales of Galileo were extremely important because the product was very expensive and required a substantial amount of after-market services and supplies to operate effectively. According to a former sales director employed by the Company from 2000 to 2004, a Galileo machine cost approximately \$150,000, and the contracts provided for service and supplies for several years after purchase and installation.

40. Under De Chirico's watch, the Company reported "record" revenues attributable in large part to sales of Galileo in Europe. For example, in an October 2, 2002 press release entitled, "Immucor Earns Record \$3.0 Million in Net Income for the Fiscal First Quarter," Gallup stated: "Demand for our new Galileo high volume instrument has been robust since its introduction to the European market. Today there

are 13 Galileo placements in Europe and an additional 11 under evaluation at customer sites. We expect instrument sales to increase moving forward.”

41. After contributing to quarter after quarter of “record” financial results, De Chirico received a promotion to the Company’s Georgia headquarters. In a July 18, 2003 press release, Immucor announced that, effective July 28, 2003, De Chirico would serve as President and Chief Operating Officer of Immucor. The release continued:

In his new role as president and COO, Dr. De Chirico assumes some of the responsibilities of Edward L. Gallup, who remains Chairman and Chief Executive Officer. Commenting on the promotion, Gallup stated: ‘Nino will be relocating to the United States as soon as practical. I believe our combined skill mix will be very beneficial to our employees and shareholders. Among other accomplishments, *Nino has done a remarkable job launching the Galileo in Europe and is a true visionary.*’³

42. A former sales director employed by the Company from 2000 to 2004 echoed these comments, indicating that De Chirico was promoted for two reasons: (1) Gallup wanted someone like De Chirico to eventually take over his position; and (2) De Chirico had been successful promoting Galileo in Europe and he was brought in to promote Galileo in the U.S.

³ Emphasis is always added unless otherwise noted.

43. Within a year, De Chirico's meteoric rise to the top of Immucor was complete. In a May 4, 2004 press release, the Company announced that De Chirico would replace Gallup as CEO:

Commenting on this promotion, Mr. Gallup started [sic] "In the short time since his promotion to President and COO, Nino has implemented his plans to improve company efficiency through manufacturing consolidation and the deletion of redundant products, many of which were manufactured in three separate facilities. His experience in launching the Galileo instrument in Europe will be invaluable to our U.S. launch which will begin the week of May 10."

44. Consistent with his various promotions, De Chirico was richly rewarded by the Company for his efforts with substantial salary increases and lucrative cash and stock option bonuses.

Corruption and Chaos

45. Just as De Chirico was settling into his new position, his success story came to a screeching halt. In September 2004, the Italian press began reporting on an extensive investigation conducted by Italian authorities into corruption involving Immucor and Mercuriali, a prominent physician at a public hospital in Milan, Italy.⁴ More specifically, following a year long investigation involving document reviews,

⁴ According to a former Italian controller employed by the Company from 1996 to 2005, all of the health systems in Italy are "in the hands of local governments" and thus the hospitals were government-operated and the doctors and other employees who worked there were considered government employees.

telephone wiretaps and undercover surveillance, Italian authorities arrested Mercuriali, Straziota and three other intermediaries on charges relating to corruption, bribery and contract-rigging. In effect, Straziota, on behalf of Immucor, paid bribes to Mercuriali, the head of the immunohematology department at Niguarda hospital in Milan, in exchange for the hospital's purchase of Galileo and a related three year contract for supplies and services. In addition to the five arrests, seven other individuals were under investigation for corruption and related criminal activity. Shortly after he was placed under house arrest, but before he could be questioned by Italian prosecutors, Mercuriali committed suicide.

46. Among the evidence supporting the arrests was a recorded conversation between Mercuriali and Straziota concerning some of the details of the bribery scheme. In the discussion, Mercuriali requested that Straziota report his comments back to "N." According to a former controller employed at the Company's Italian subsidiary from 1996 to 2005, when the story broke in late 2004, "everybody working for Immucor Italy and familiar with the investigation understood [the person referred to as 'N' in the transcript] to be Nino De Chirico. *Nobody had a doubt.*"

47. As the investigation continued, its scope widened appreciably. Italian authorities accused Immucor of paying physicians at various hospitals across Italy in exchange for product supply contracts, and then masking such bribes as consulting

fees. This conclusion was supported by an internal investigation conducted by PwC for Immucor. PwC's report identified 90 payments made to medical doctors, and determined that at least 20 of those payments appeared to be legally "doubtful."⁵

48. And swept up in this wave of corruption was Sirchia, the Italian Health Minister and a mentor to Mercuriali. The investigation revealed that, beginning in June 1998, Immucor made several payments to Sirchia, then head of the Blood Transfusion Center of Milan's Policlinico, to obtain lucrative contracts. De Chirico, who was now purportedly "cooperating" in the investigation, provided documents and other information to the Italian authorities indicating that, during a convention in 1998, he had reached a verbal agreement with Sirchia concerning the bribery scheme. This information (including De Chirico's e-mails with his assistant at the German subsidiary, Ursula Klein) demonstrated that, on several occasions throughout 1998 and 1999, Immucor, at the direction of De Chirico, funneled money through its German subsidiary to a Swiss bank account controlled by Sirchia as follows: checks drawn on the Immucor's German subsidiary's account at Commerzbank and made payable to Sirchia were sent via UPS to an employee of the Lugano Chapter of the

⁵ According to the report, the remaining physicians received "homages" and other gifts throughout the years.

Union Bank of Switzerland, who then deposited the funds into an account maintained by Sirchia.

49. This scheme was further corroborated by Maria Vergnaghi Rose, a former accountant at Immucor's Italian subsidiary, who provided testimony to the Italian authorities detailing payments made by Immucor to Sirchia, including additional payments made directly to Sirchia by Straziota in 2000. Ms. Rose also testified that Straziota directed her to create false invoices to justify bribery payments made to doctors in Naples, Italy, known at Immucor as the "Neapolitans." According to Ms. Rose, these fake invoices were created under the guise of "Mayan Consulting" and required several drafts before they looked legitimate enough to provide to investigators.

50. In fact, the former Italian controller employed at the Company from 1996 to 2005 reported that, during De Chirico's tenure as President of Immucor's Italian subsidiary and Director of European operations, Immucor Italia "never took place a system of controls." This former employee explained that Ms. Rose, who ran the Accounting department, attempted to implement some semblance of internal controls, but they were largely ignored. The former employee further explained that, despite

numerous requests over the years, De Chirico refused “to give me physical access to the books,” which “prevented [me] from doing my job.”⁶

51. As a result of the evidence adduced to date, the Italian prosecutors have been closely scrutinizing all contracts awarded to Immucor by the Policlinico between 1994 and 2001, placing particular emphasis on a multi-hundred thousand euro contract awarded to Immucor in 1998 after which Immucor, through De Chirico, paid money into Sirchia’s bank account.

52. There was not much doubt within Immucor that De Chirico authorized the payment of bribes for preferential treatment on contract bids. As a former vice president employed by the Company from 1997 to 2001 confirmed, “[i]t doesn’t take a PhD to understand Nino controlled all of Europe, [and therefore] could order the German affiliate to pay an Italian hospital, and order the German affiliate to account for the payment as a consulting fee.” This sentiment was echoed by a former managing director of the German subsidiary employed from 1992 to 2000, who stated:

⁶ The former Italian controller reported that, after De Chirico left Europe in 2003, his replacement, Didier Lanson, changed the manner in which expenses were authorized. According to this former employee, Lanson changed the procedure so that he had to personally authorize in writing every single expense.

“He was the European Manager. If Nino came to them [the German finance department], they had to do it.”⁷

The Cover-Up

53. Given the nature of the illegal conduct, and the fact that it reached to some of the highest levels of the Italian government, the story was widely reported in the Italian press. Members of the Italian press traveled to the U.S. and descended on Immucor’s headquarters to gain more information on the growing scandal. According to a former sales director employed by the Company from 2004 to 2005, reporters from Italy were “approaching everybody that came out of Immucor” in an effort to gather information regarding the investigation. This former employee indicated that “the reporters were parked in the parking lot, just waiting to try to talk to us.”

54. Internally, Defendants understood the seriousness of the crimes that had been committed in Europe. Based on the amount of business that the Company conducted in Europe and elsewhere, Defendants knew about the requirements of the

⁷ This was not the only time that De Chirico used the German subsidiary’s accounts to secretly funnel money to Italy. The former German managing director recalled that De Chirico requested that a bonus to be paid to Serena Mengovi, his assistant in Italy, come from the German accounts. This former employee explained that De Chirico did not want the other Italian employees to get upset that this one employee received a bonus, so he had the bonus come from Germany to keep it secret from those employees.

Foreign Corrupt Practices Act, which makes it unlawful for publicly traded companies like Immucor to “make use of the mail or any other means or instrumentality of interstate commerce corruptly in furtherance of” a payment or promise of payment to foreign officials in exchange for business or influencing regulations. 15 U.S.C. §78dd-2(a)(1).

55. According to Company insiders, in late October or early November of 2004, the Company “called a special meeting” to discuss the Italian bribe scandal. According to a former director of sales employed by the Company from 2004 to 2005 who attended the meeting, Gallup was “very low key” in discussing the pending investigation and “Nino got up and said a couple of things,” but nothing of real significance. Another former director of sales learned that “Ed [Gallup] didn’t say anything,” and, when De Chirico spoke, he was “not apologetic” at all.

56. Defendants could not hide from the fact that De Chirico, the Company’s present CEO, had been implicated in the Italian scandal for illegal acts he directed when he was Director of European operations. A former director of sales employed by the Company from 2004 to 2005 stated that “Nino was scared to death for his job. It was common knowledge within the Company that the Board of Directors was not happy” with De Chirico. Not only did the Company strip away De Chirico’s CEO

title, but on many occasions throughout late 2004, “Nino was asked to leave Board meetings.”

57. In contrast to the furor the bribery scandal caused in Italy, it received little attention in the U.S. press. Knowing that they had to make some public statement concerning the scandal, and taking advantage of this media apathy, Defendants determined that the best course of action was to deny or otherwise downplay the Company’s involvement in any corruption or other illegal activities in Europe in the hopes that the story would not gain traction in the financial press and adversely impact the Company’s stock price.

58. Ultimately, PwC’s internal investigation confirmed what Defendants already knew – that, under De Chirico’s leadership, Immucor’s European operations were rife with corruption. According to a former Italian controller employed by the Company from 1996 to 2005, by late 2004, Immucor’s Italian subsidiary was “full of external consultants” that stayed for days and weeks at a time. Ultimately, PwC listed 90 payments made to medical doctors by Immucor, of which 20 were deemed to be legally “doubtful.” Despite its own internal investigation, the Company continued to downplay the breadth of its FCPA violations.

59. Consequently, Immucor quietly decided to clean house in Europe. The former Italian controller indicated that virtually “everybody that worked in [Immucor]

Italia” when De Chirico was Director of European Operations was terminated. The former Italian controller understood that the terminations were done by De Chirico’s replacement, Didier Lanson, because he believed that those employees were “all thieves.” In addition, because of the extensive internal control problems at the Italian subsidiary, the Company retained the services of an “external accountant” at the end of 2004.

**DEFENDANTS’ MATERIALLY FALSE AND MISLEADING
STATEMENTS
DURING THE CLASS PERIOD**

60. **False Statement:** The Class Period begins on August 16, 2005. On that date, Immucor filed its annual report with the SEC on Form 10-K for the fiscal year ended May 31, 2004. In this filing, De Chirico and Ramsey attested to the adequacy of the Company’s internal controls:

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to Rule 13a-15(e) and 15(d)-15(e) under the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial concluded that the Company’s disclosure controls and procedures are effective. There were no changes in the Company’s internal control over financial reporting or in other factors identified in connection with that evaluation that occurred during the Company’s fourth fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

61. The statements referenced in ¶60 were materially false and misleading when made, as reflected more fully in ¶¶ 25-59, because Defendants knew, but failed to disclose, the true nature and scope of Immucor's involvement in criminal activity in Italy and knew that the Company's internal controls were severely deficient. More specifically, Immucor, through De Chirico, had bribed numerous physicians and other public officials for several years in exchange for lucrative contracts for products and services in hospitals across Italy. In fact, Italian authorities were in the midst of an investigation into whether Immucor's representatives had bribed a public official at a local Milan hospital in order to obtain a valuable contract for products and services. Thus, rather than having "effective" internal controls, Immucor's internal controls were so deficient that the Company was eventually forced to publicly admit that they were ineffective.

62. **False Statement:** On November 2, 2005, Immucor issued a press release entitled "Immucor Italian Subsidiary Part of Inquiry in Italy," which stated in relevant part:

NORCROSS, GA. (Nov 2, 2004) - Immucor, Inc. (Nasdaq: BLUD) today announced that its Italian subsidiary and the subsidiary's former President and now President of Immucor, Inc., Dr. Gioacchino De Chirico, are the subject of a criminal investigation in Milan, Italy. The investigation is centered on the activities of a well-known Italian physician and hospital administrator, and concerns alleged improper cash payments by several companies to the physician in exchange for favorable contract awards by his hospital in Italy.

As a result of the investigation in Milan, the Audit Committee of the Board of Directors of the Company commenced an internal investigation. The investigation has found that the doctor rendered services as the organizer and chairman of a convention sponsored by the Italian subsidiary in October 2003, for which he received 13,500 Euros via wire transfer. The invoice for those services, however, did not properly identify the doctor or the nature of his services, in violation of the books and records provisions of the Foreign Corrupt Practices Act.

Because of his involvement with the payment of the invoice, Dr. De Chirico will not act as CEO of the Company during the internal investigation, but will remain President. Edward L. Gallup, the Chairman of the Board, will undertake the responsibilities of CEO on an interim basis. In addition, the Board of Directors is taking steps to strengthen financial controls in its European operations.

The Company is fully cooperating with the investigation in Italy. The Audit Committee will continue its internal investigation of matters related to the Italian investigation and the Company's record-keeping.

63. The statements referenced in ¶62 were materially false and misleading when made, as reflected more fully in ¶¶ 25-59, because Defendants knew, but failed to disclose, the true nature and scope of Immucor's involvement in criminal activity in Italy. More specifically, Immucor, through De Chirico, had bribed numerous physicians and other public officials for several years in exchange for lucrative contracts for products and services in hospitals across Italy. Italian authorities arrested Straziota, Immucor's Italian representative, for his involvement in the corruption, and De Chirico was implicated in the scandal. Rather than an isolated

instance of poor record keeping, Immucor was involved in serious and extensive criminal activities relating to corruption, bribery and contract-rigging.

64. **False Statement:** On December 16, 2004, Immucor filed a Form 8-K with the SEC, signed by Ramsey, announcing that its Board of Directors had approved amendments to the Company's Code of Conduct. In effect, the revised Code of Conduct "contains an expanded description of the Company's policy for compliance with the Foreign Corrupt Practices Act and similar laws." It reads, in pertinent part:

Foreign Corrupt Practices Act and Similar Laws

Immucor is committed to open and fair business conduct worldwide. Conducting our business ethically encompass compliance with applicable U.S. and non-US laws, including the U.S. Foreign Corrupt Practices Act (the "FCPA") and other laws aimed to prevent and punish corrupt practices (referred to as the "Law" in the remainder of this section).

Immucor's employees and agents should understand fully that any actions taken by them on behalf of the company in violation of the Law may create criminal exposure for themselves, the company and, in certain circumstances, our non-US affiliates. Immucor trusts in the integrity of its employees and expects each to comply willingly and completely with the Law and this Code.

Some Laws, including the FCPA, impose a statutory duty on Immucor to maintain accurate books and records and an adequate system of internal accounting controls. All Immucor affiliates, US and non-US, must comply with these record-keeping and control requirements.

The Policies

You are required to comply with the following policies:

- You may not offer or give anything of value to an employee of a government entity, a non-US official, a political party or a candidate for political office that might be considered a bribe. When in doubt, Immucor requires you to consult with the Compliance Coordinator for your location

* * *

- The Law prohibits bribes by third parties on behalf of Immucor. In order to deal with this aspect of the Law, you may not enter into any agreement with a third party service provider, such as an attorney, accountant or consultant, or a subcontractor or other third party without obtaining the prior written determination of a Compliance Coordinator that the proposed agreement does not violate this Code.
- You must make accurate and complete entries in company records and follow company accounting procedures. You may not make any false or misleading entries on company books and records. The Law requires that the company's records and accounts must accurately reflect all payments, expenses and transactions.
- Your business record of any payment must be accurate, timely and complete. The record must accurately reflect who received the payment and the purpose for the payment. Therefore, you are expected to give complete and accurate information on all payment requests you submit using an approved company form. Also, if you intend to initiate a payment by means of something other than any approved company form, you must present complete and accurate information concerning such proposed payment to the officer of the company who directly or indirectly supervises your work.

65. The statements referenced in ¶64 were materially false and misleading when made, as reflected more fully in ¶¶25-59, because Defendants falsely assured the market that the Company was taking active steps to address its internal control failures arising from the criminal investigation in Italy when, in fact, Defendants were continuing to hide the true nature and scope of the Company's involvement in the scandal. The announcement of an amended Code of Conduct was nothing more than a smokescreen to deflect attention away from the ongoing criminal investigation in Italy.

66. **False Statement:** On January 7, 2005, Immucor issued a press release entitled "Immucor Announces Second Quarter Results," which stated in relevant part:

In connection with its preparation for Sarbanes Oxley 404 internal control assessment, *the Company had identified certain weaknesses in internal controls in the Italian subsidiary at the time it learned of the Italian investigation*, and the Company was in the process of strengthening those internal controls. Those efforts were accelerated in connection with the internal investigation, and the Company has undertaken a thorough review of the books and records of the Italian subsidiary with the assistance of forensic audit personnel from PricewaterhouseCoopers LLP. That review has identified a number of improperly recorded transactions totaling approximately \$730 thousand, which are included in selling and marketing, general and administrative, and other expenses for the second quarter of fiscal 2005. Due to the fact that *the quantification of these items have only recently come to light*, the Company expects to file its Form 10-Q for the second quarter of fiscal 2005 with the Securities and Exchange Commission within the 5-day extension period allowed by SEC Rule 12b-25.

* * *

“In general we are pleased with our progress in the quarter regarding gross margin improvement, Galileo orders and our overall strategy in growing the business” said Edward L. Gallup, Chairman and Chief Executive Officer. “However we are obviously disappointed with the number of unusual charges experienced in the quarter.”

67. **False Statement:** During the January 7, 2005 conference call with analysts, Gallup and Ramsey repeatedly downplayed the seriousness of the ongoing investigation in Italy, claiming that it was an “*isolated event*” that was close to being resolved:

Ramsey: Thank you, Ed. For some time, the company has been working to become Sarbanes-Oxley 404 compliant. As part of this process, we have been assessing internal control in all of Immucor. The internal control assessment in Italy identified 2 major internal control weaknesses, a lack of segregation of duties and a lack of reconciliation of certain accounts to the general ledger. We had already begun to address certain accounts to the general ledger.

We had already begun to address these issues prior to the Italian investigation. We accelerated this effort in conjunction with our internal investigation in Italy, which has been then assisted by PricewaterhouseCoopers.

We have now completed a comprehensive review of the books and records, and it found a number of improperly recorded transactions, which total approximately \$730,000, the most serious of which was the failure to timely remit to the appropriate fiscal authorities VAT collected from our customers. This omission will result in penalties and interest of approximately \$350,000. The balance of the improperly recorded transactions relate to poor bookkeeping. We have terminated the responsible party

and are evaluating our internal audit function. Our assessment of current internal controls have revealed no similar weakness in any other affiliate. *We believe this is an isolated event.*

As stated in the press release, we were only recently able to quantify these transactions and will be delaying the filing of our second quarter 10-Q for five days to allow our auditors time to understand our review effort. Ed?

Gallup: Just a couple of final comments before we go to Q&A. Regarding the Italian situation, we continue to be very proactive with the Italian prosecutor and expect a positive resolution. Our audit committee should receive the results of our internal investigation by the 18th of January.

* * *

B. Quirk: That is fair. Quick question on the Italian investigation. Ed, you have expressed additional confidence that we can get this resolved here, hopefully shortly. Are you getting some additional signs from the Italian government or specifically the prosecutor that is giving you this increased confidence? Or where are we? Maybe you could just give us some additional detail there?

Gallup: As I mentioned we have been very proactive. I think the prosecutor -- this is speculation on my part, but we had a couple of people attend the meeting -- I think the prosecutor is pleased with the in-depth information we have given him.

The only difficult thing, Bill, is to predict. We understand there may be a couple of other companies under investigation, and we are hoping that does not delay our process.

B. Quirk: Have you -- at this point, do you have any type of guesstimate on when we could have this potentially

resolution here? Have you been given any indication from the prosecutor, a timeline for this investigation?

Gallup: We have not.

* * *

P. Frohlich: On this Italian investigation, the initial payment that was – we talked about possible violations of the Foreign Corrupt Practices Act, which was – the more I read about it was pretty disturbing. I did not hear that in this latest group of 730,000. Can we assume that these were – I think you mentioned VAT taxes and some items like that – that there are no other payments of the – similar to the EUR 13,500 payment?

Gallup: *Over a 10-year period we paid approximately \$200,000 worldwide in consulting fees. So in this \$732,000, there are no payments; absolutely.*

P. Frohlich: Okay. So at this point in time, the only I think what you characterized as possible violation was the 13,500 and that still stands?

Gallup: That is correct.

* * *

S. Hamill: I just want to follow-up, Steve, on the situation in Europe and just to press more on that. What is your confidence that this is not an issue that spreads beyond Italy in terms of the adequacy of your accounting controls?

Ramsey: *I'm very confident. Our two biggest affiliates of course were Germany and Italy. We have been completely through the German books. This cleans up Italy. And the other ones we have not seen any negative assessment of internal control like we saw in Italy, so I'm very positive.*

68. Securities analysts – many of whom were on the Company’s conference call – reacted favorably to the Company’s positive statements concerning the impact of the Italian investigation on the Company and the projections for Galileo. For example, on January 7, 2005, analyst William (Bill) Quirk of RBC Capital Markets issued an “outperform” rating for Immucor due in part to the fact that “the Italian bookkeeping issue was an isolated event, with no other European operations impacted. We do not believe there are any criminal implications from this event.” Similarly, on January 7, 2005, Aaron Geist, PhD. and Quintin J. Lai, PhD. of Baird U.S. Equity Research gave Immucor an “outperform” rating due in part to the prompt “resolution of its Italian subsidiary investigation,” and the disclosure of “the entire extent of improper transactions in its European operations,” with a “low probability of future impacts beyond current expectations.”

69. The Company’s stock rose significantly in response to this positive information. Within a day, the stock price rose above \$27.19 per share on unusual trading volume of 1,393,900, an increase of almost \$3 per share, and it continued to rise over the course of the next few days.

70. **False Statement:** On January 11, 2005, Immucor filed a Form 12b-25 with the SEC, signed by Ramsey, notifying the market that it would file its Form 10-Q for the period ending November 30, 2004 late. In its Form 12b-25, the Company

reiterated the statements made in its January 7, 2005 press release set forth in ¶66, and claimed that, since “some of these transactions only recently came to light, the required financial review procedures could not be completed without unreasonable effort or expense by [the] January 10, 2005” deadline.

71. **False Statement:** On January 14, 2005, Immucor filed its Form 10-Q for the period ending on November 30, 2004, signed by Gallup and Ramsey, which stated in relevant part:

In addition, as reported in a press release issued by the Company on November 2, 2004, the Company’s Italian subsidiary and Dr. Gioacchino De Chirico, the former President of the Italian subsidiary, are the subject of a criminal investigation by Italian authorities in Milan, Italy centered on the activities of a well-known Italian physician and hospital administrator. The investigation concerns alleged improper cash payments by several companies to the physician in exchange for favorable contract awards by his hospital in Italy. ***Based on the Company’s internal investigation discussed further below, it does not appear that the Italian subsidiary made any improper payments to the physician in question.*** However, the doctor rendered services as the organizer and chairman of a convention sponsored by the Italian subsidiary in October 2003, for which he received 13,500 Euros, and the invoice for those services did not properly identify the doctor or the nature of his services, in violation of the books and records provisions of the Foreign Corrupt Practices Act. On November 1, 2004, the Company self-reported to the Securities and Exchange Commission the potential violation of the Foreign Corrupt Practices Act.

* * *

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive

Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(b) and 15d-15(b) under the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

72. The statements referenced in ¶¶66-67 and 70-71 were materially false and misleading when made, as reflected more fully in ¶¶ 25-59, because Defendants knew, but failed to disclose, the true nature and scope of Immucor's involvement in criminal activity in Italy. More specifically, Immucor, through De Chirico, had bribed numerous physicians and other public officials for several years in exchange for lucrative contracts for products and services in hospitals across Italy. Italian authorities arrested Straziota, Immucor's Italian representative, for his involvement in the corruption, and De Chirico was implicated in the scandal. Rather than an "isolated event" that was close to a positive resolution, Immucor was involved in serious and extensive criminal activities relating to corruption, bribery and contract-rigging.

73. **False Statement:** On April 6, 2005, Immucor, led by the Individual Defendants, hosted a conference call for securities analysts to discuss the Company's third quarter financial results and other issues affecting the Company. In commenting on the Italian investigation, Gallup stated:

With respect to Italy, the Company's internal investigation is essentially complete, and we continue to reiterate that all services paid for were in each case for services rendered. The investigation by the prosecutor has

been expanded to include several other companies, and this delay may delay the closure on this issue.

* * *

However, there is no question that we did violate the foreign corrupt action practice paperwork provision, and we expect there is a possibility of a fine associated with this, but I can't imagine the it would be in the \$2 million range, but we are being aggressive in putting that number out there.

74. **False Statement:** On that same day, in discussing the internal controls relating to the Italian subsidiary, Ramsey added:

You know, we certainly had abroad in Italy but I am sure it is going to be disclosed. We will have the internal controls tightened up and fully tested prior to them opining in August. So we are not expecting anything at this point in time

75. In response to this positive news, Immucor's stock price rose from \$28.43 on April 6, 2005 to \$30.06 on April 7, 2005.

76. Immucor's stock price increase was further bolstered by several favorable analyst reports. For example, on April 7, 2005, William (Bill) Quirk maintained his "outperform" rating with a \$35 price target based in part on the fact that "Immucor indicated that they may incur a minor fine for their role in the investigation and they continue to expect no dramatic impact on their company or their business."

77. **False Statement:** On April 8, 2005, Immucor filed its quarterly report with the SEC on Form 10-Q for the quarter ending February 28, 2005, signed by Gallup and Ramsey, which stated:

In addition, as reported in a press release issued by the Company on November 2, 2004, the Company's Italian subsidiary and Dr. Gioacchino De Chirico, the former President of the Italian subsidiary, are the subjects of a criminal investigation by Italian authorities in Milan, Italy centered on the activities of a well-known Italian physician and hospital administrator. The investigation concerns the alleged improper cash payments by several companies to the physician in exchange for favorable contract awards by his hospital in Italy. Based on the Company's internal investigation discussed further below, it does not appear that the Italian subsidiary made any improper payments to the physician in question. However, the doctor rendered services as the organizer and chairman of a convention sponsored by the Italian subsidiary in October 2003, for which he received 13,500 Euros, and the invoice for those services did not properly identify the doctor or the nature of his services, in violation of the books and records provision of the Foreign Corrupt Practices Act.

78. The statements referenced in ¶¶73-74 and 77 were materially false and misleading when made, as reflected more fully in ¶¶ 25-59, because Defendants knew, but failed to disclose, the true nature and scope of Immucor's involvement in criminal activity in Italy. More specifically, by this time, in addition to the illegal payments made by the Company to Mercuriali, the expanded investigation revealed that additional payments were made to numerous other doctors throughout Italy, including Sirchia, the current Italian Health Minister. According to the investigation, as reflected in De Chirico's own e-mails and the testimony of Maria Vergnaghi Rose, Immucor funneled money to Sirchia through its German subsidiary in exchange for lucrative contracts with Sirchia's hospital. Further, the Company's internal investigation conducted through PWC revealed that at least 20 of the payments made

to various physicians were legally doubtful. Thus, rather than a minor violation of “the foreign corrupt action practice paperwork provision,” Immucor was involved in serious and extensive criminal activities relating to corruption, bribery and contract-rigging.

THE TRUTH EMERGES

79. On Friday, August 26, 2005, shortly after 12:00 p.m., the Company announced that the SEC had commenced a formal investigation relative to payments made by one of the Company’s foreign subsidiaries to individuals associated with government medical facilities. Specifically, the release stated:

. . . the Securities and Exchange Commission had issued a formal order in the previously-reported investigation by the SEC related to payments made by the Company’s Italian subsidiary to individuals associated with government medical facilities. The formal order allows the Staff of the SEC to compel testimony and document production.

As previously reported, the investigation began after the Company self reported to the SEC a violation of the books and records requirements of the Foreign Corrupt Practices Act. The Company has cooperated and will continue to cooperate fully, including voluntarily providing to the SEC the results of the internal investigation conducted by the Audit Committee into the matter, as well as documents and testimony.

80. The fact that the SEC investigation was upgraded from an informal inquiry into a formal investigation indicates the severity of Immucor’s actions. The SEC’s own Canons of Ethics state that: “. . . no public pronouncement of the pendency of such an investigation should be made in the absence of reasonable

evidence that the law has been violated and that the public welfare demand it.” 17 U.S.C. § 200.66.

81. Following on the heels of the disclosure of the SEC’s upgrade to a formal investigation, Defendants dumped additional bad news on the market. On the next business day, Monday, August 29, 2005, Immucor issued a press release announcing that Ramsey had resigned from the Company and that net income for fiscal 2005 (ending May 31, 2005), including the third and fourth quarters of fiscal 2005, had to be revised downward to account for unrecorded accrual for employee bonuses. Specifically, the Company stated:

**Immucor Revises Fiscal 2005 Earnings
to Account for Employee Bonus Accrual**

NORCROSS, GA (August 29, 2005) - Immucor, Inc. (Nasdaq/NM: BLUD) a global leader in providing automated instrument-reagent systems to the blood transfusion industry, today announced a revision in previously reported net income for fiscal year 2005 to account for a previously unrecorded accrual for employee bonuses. On an after-tax basis, the accrual for the third fiscal quarter is \$0.2 million and the accrual for the fourth fiscal quarter is \$0.7 million, for an aggregate bonus accrual of \$0.9 million for the fiscal year. As revised, for the year and fourth quarter ended May 31, 2005, net income was \$23.9 million for the year and \$8.5 million for the fourth quarter; and diluted earnings per share were \$0.50 for the year on 47.5 million weighted average shares outstanding, and \$0.18 for the fourth quarter on 47.7 million weighted average shares outstanding.

The Company expects to report those revised numbers in its Form 10-K for fiscal year 2005. However, due to the additional accounting and auditing procedures to be completed to account for the bonus accrual, in

addition to completing the procedures required by Section 404 of Sarbanes Oxley, the Company now does not expect to file that Form 10-K by August 30, 2005, as previously stated in its Form 12b-25 filed August 15, 2005. The Company is working diligently to have the Form 10-K filed as soon as possible.

The Company also reported that it has accepted the resignation of Steven C. Ramsey as Chief Financial Officer of the Company. Patrick Waddy, the Company's Vice President of Finance, has accepted the position of interim Chief Financial Officer. Mr. Waddy has been with Immucor since 1996, when the Company acquired Dominion Biologicals, and Mr. Waddy retains the position of President of that company.

82. Due to this series of negative pronouncements, shares of the Company's stock, which closed at \$28.61 on August 25, 2005, before the market learned of the SEC's investigation, dropped more than 17% to close at \$23.58 on September 1, 2005, on substantially increased volume.

POST-CLASS PERIOD REVELATIONS

83. On October 19, 2005, the Company vaguely admitted that it had engaged in some bribery and contract-rigging in Italy. In its Form 10-K for the period ending May 31, 2005, the Company acknowledged:

The internal investigation also addressed six payments to another physician in 1998, 1999 and 2000 totaling approximately \$47,000. Based on the investigation it appears those payments may have been related not only to the performance of certain services but also on the introduction of an instrument system into that physician's hospital and perhaps other hospitals.

We have made three voluntary submissions to the SEC, some of our officers and one of our directors have voluntarily testified, and we continue to cooperate with the SEC.

UNDISCLOSED ADVERSE INFORMATION

84. The market for Immucor's common stock was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Immucor common stock traded at artificially inflated prices during the Class Period. Lead Plaintiffs and other members of the Class purchased or otherwise acquired Immucor's common stock relying upon the integrity of the market price of the Company's common stock and market information relating to Immucor, and have been damaged thereby.

85. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Immucor common stock, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose materially adverse information and misrepresented the truth about the Company, its business and operations, as detailed herein.

86. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial

contributing cause of the damages sustained by Lead Plaintiffs and the other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Immucor. These material misstatements and omissions created in the market an unrealistically positive assessment of Immucor and its prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulting in Lead Plaintiffs' and other members of the Class purchasing the Company's common stock at artificially inflated prices, thus leading to their losses when the illusion was revealed, and the market was able to accurately value the Company.

ADDITIONAL SCIENTER ALLEGATIONS

87. While Immucor's officers and directors were issuing false and misleading statements denying the Company's knowing involvement in illegal contract rigging and bribery, Gallup sold over 55% of his Immucor holdings for total proceeds in excess of \$4 million.

88. While in possession of material non-public information, Gallup cashed in on Immucor's artificially inflated stock and collectively unloaded 205,500 shares at

inflated prices as high as \$34.17 per share, pocketing more than \$4 million in illegal insider trading proceeds as follows:

DATE	NUMBER OF SHARES SOLD	PRICE PER SHARE	PROCEEDS FROM SALE
8/24/04	3000	\$20.527	\$61,581.00
8/31/04	3000	\$20.480	\$61,440.00
9/7/04	3000	\$21.895	\$65,685.00
9/14/04	3000	\$21.983	\$65,949.00
9/21/04	3000	\$22.010	\$66,030.00
9/28/04	3000	\$22.375	\$67,125.00
10/5/04	3000	\$26.491	\$79,474.80
10/12/04	3000	\$27.817	\$83,451.00
10/19/04	3000	\$28.129	\$84,387.00
10/26/04	3000	\$29.954	\$89,862.00
11/2/04	3000	\$26.585	\$79,755.00
11/9/04	3000	\$29.242	\$87,726.00
11/16/04	3000	\$30.107	\$90,321.00
11/23/04	3000	\$31.010	\$93,030.00
11/30/04	3000	\$31.975	\$95,925.00
12/7/04	3000	\$32.567	\$97,701.00
12/14/04	4500	\$22.839	\$102,775.50
12/21/04	4500	\$22.315	\$100,417.50
12/28/04	4500	\$23.772	\$106,974.00
1/4/05	4500	\$23.086	\$103,887.00
1/11/05	4500	\$27.656	\$124,452.00
1/18/05	4500	\$28.274	\$127,233.00
1/25/05	4500	\$28.294	\$127,323.00
2/1/05	4500	\$31.122	\$140,049.00
2/8/05	4500	\$31.250	\$140,625.00
2/15/05	4500	\$30.636	\$137,862.00
2/22/05	4500	\$29.106	\$130,977.00

3/1/05	4500	\$30.423	\$136,903.50
3/8/05	4500	\$30.952	\$139,284.00
3/15/05	4500	\$30.400	\$136,800.00
3/22/05	4500	\$30.257	\$136,156.50
3/29/05	4500	\$29.394	\$132,273.00
4/5/05	4500	\$29.883	\$134,473.50
4/12/05	4500	\$30.988	\$139,446.00
4/19/05	4500	\$30.672	\$138,024.00
4/26/05	4500	\$30.196	\$135,882.00
5/3/05	4500	\$30.270	\$136,215.00
5/10/05	4500	\$32.481	\$146,164.50
5/17/05	4500	\$31.320	\$140,940.00
5/24/05	4500	\$34.170	\$153,765.00
5/31/05	4500	\$33.723	\$151,753.50
6/7/05	4500	\$34.133	\$153,598.50
6/14/05	4500	\$30.898	\$139,041.00
6/21/05	4500	\$31.870	\$143,415.00
6/28/05	4500	\$28.613	\$128,758.50
7/5/05	4500	\$29.696	\$133,632.00
7/12/05	4500	\$29.083	\$130,873.50
7/19/05	4500	\$28.817	\$129,676.50
7/26/05	4500	\$27.248	\$122,616.00
8/2/05	4500	\$27.039	\$121,675.50
8/9/05	4500	\$27.969	\$125,860.50

89. These sales, which were made pursuant to a 10b5-1 Plan initiated on October 17, 2003 (the “Plan”), were calculated to maximize his personal benefit from the artificial inflation of Immucor’s stock price. Specifically, Gallup resumed trading pursuant to the Plan on August 24, 2004, at a time when he knew of or recklessly disregarded the lack of internal controls and the existence of the investigation in Italy,

and continued selling his shares throughout the majority of the Class Period. In doing so, Gallup took advantage of inflated Immucor stock prices by publicly denying the Company's knowing participation in illegal contract rigging and bribery in Italy.

90. Furthermore, Gallup was aware that his trading should have been discontinued once he became privy to material non-public information. For example, on March 30, 2004, Gallup announced that he had suspended trading pursuant to the Plan "in order to prevent the sale of shares shortly before the company announced its third quarter results."

91. In addition, after consistently selling 3000 or more shares a week for almost a year, Gallup's trading came to an abrupt halt on August 9, 2005 – less than three weeks before the Company announced that it was the subject of a formal SEC investigation. To date, Gallup has not sold any additional shares.

92. Finally, although Gallup was trading pursuant to a *one-year* prearranged stock trading plan initiated in October 2003, he continued trading for approximately 18 months (excluding the period that he suspended trading), stopping just before the truth of Defendants' improprieties were revealed.

LOSS CAUSATION/ECONOMIC LOSS

93. Each of Defendants' materially false and misleading statements detailed herein caused the price of Immucor stock to be artificially inflated. As a result, each

of the investors that purchased Immucor stock during the Class Period paid an inflated price. In addition, Gallup took advantage of this artificial inflation in the stock price by selling his personally held shares for substantial proceeds.

94. When Defendants revealed to investors and the market Immucor's adverse conditions that previously had been concealed by Defendants' misstatements, omissions and other fraudulent conduct, the price of the Company's stock declined significantly. Specifically, Defendants had failed to disclose and otherwise concealed the true nature and scope of the investigation conducted by the Italian authorities concerning corruption, bribes and contract-rigging involving Immucor and other misconduct impacting on senior management's credibility and honesty in the form of a downward revision in Fiscal 2005 net income that prompted the resignation of Defendant Ramsey. When the full extent of Immucor's involvement in the Italian bribery scandal began to be revealed through the SEC issuing a formal order regarding its investigation into the scandal and the Company revealed the inflation of net income and Ramsey's resignation – the stock price dropped precipitously. As a result of these revelations, and corresponding drop in the price of Immucor's stock, investors suffered real economic loss. Further, the timing and magnitude of Immucor's stock price decline negates any inference that the loss suffered by Lead Plaintiffs and other Class members was caused by changed market conditions, microeconomic or industry

factors or Company-specific facts unrelated to the Defendants' misconduct. Rather, the disclosures adversely impacting on the marketplace's perception of the Defendants' credibility and honesty in the form of the revelations relating to the formal SEC investigation on August 26, 2005, and one trading day later, the downward revision of net income and Ramsey's resignation caused the losses suffered by both Plaintiffs and the Class. The economic loss, *i.e.*, damages, suffered by Lead Plaintiffs and other members of the Class was a direct result of Defendants' fraudulent scheme to artificially inflate Immucor's stock price and the subsequent significant decline in the value of Immucor's stock when the truth was revealed to the market and investors.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD-ON-THE-MARKET DOCTRINE**

95. At all relevant times, the market for Immucor's securities was an efficient market for the following reasons:

(a) Immucor common stock met the requirements for listing, and was listed and actively traded on Nasdaq, a highly efficient and automated market;

(b) As a regulated issuer, Immucor filed periodic public reports with the SEC and the Nasdaq;

(c) Immucor regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services

and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Immucor was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

96. As a result of the foregoing, the market for Immucor securities promptly digested current information regarding Immucor from all publicly available sources and reflected such information in the price of Immucor stock. Under these circumstances, all purchasers of Immucor securities during the Class Period suffered similar injury through their purchases of Immucor securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

97. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the

purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized, and/or approved by an executive officer of Immucor who knew that those statements were false when made.

FIRST CLAIM

**Violation of Section 10(b) of
The Exchange Act Against and Rule 10b-5
Promulgated Thereunder Against All Defendants**

98. Lead Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

99. During the Class Period, Immucor and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Lead Plaintiffs and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Immucor securities; (iii) enable Gallup to sell thousands of shares of Immucor stock at artificially inflated prices for proceeds of millions of dollars; and (iv) cause Lead Plaintiffs and other members of the Class to purchase

Immucor securities at artificially inflated prices. In furtherance of this unlawful scheme, plan, and course of conduct, Defendants, and each of them, took actions set forth herein.

100. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Immucor securities in violation of Section 10(b) of The Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

101. In addition to the duties of full disclosure imposed on Defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public, Defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R. Sections 210.01 *et seq.*) and Regulation S-K (17 C.F.R. Section 229.10 *et seq.*) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and

earnings so that the market price of the Company's securities would be based on truthful, complete, and accurate information.

102. Immucor and the Individual Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations, and future prospects of Immucor as specified herein.

103. These Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information, and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Immucor's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Immucor and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Immucor securities during the Class Period.

104. The Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period; (ii) the Individual Defendants were privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections, and/or reports; and (iii) the Individual Defendants were aware of the Company's dissemination of information to the investing public which they knew or were severely reckless in disregarding was materially false and misleading.

105. Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or were severely reckless in disregarding the truth in that they failed to ascertain and disclose such facts, even though such facts were available to them. Such Defendants' material misrepresentations and/or omissions were done knowingly or with severe recklessness and for the purpose and effect of concealing Immucor's lack of internal control, accounting improprieties, and repeated violations of the Foreign Corrupt Practices Act from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' material misstatements regarding the Company's oversight of foreign operations and overstatements caused by the failure to properly accrue employee and executive bonuses throughout the Class Period, Defendants, if they did not have actual

knowledge of the misstatements and omissions alleged, were severely reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

106. As a result of the dissemination of materially false and misleading information and failure to disclose material facts, as set forth above, the market price for Immucor securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Immucor's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or severely recklessly disregarded by Defendants but not disclosed in public statements by Defendants during the Class Period, Lead Plaintiffs and the other members of the Class acquired Immucor securities during the Class Period at artificially high prices and were damaged as a result of the fraudulent scheme undertaken by the Defendants and the economic loss suffered when the true facts were revealed to the public.

107. At the time of said misrepresentations and omissions, Lead Plaintiffs and other members of the Class were ignorant of their falsity, and believed them to be true. Had Lead Plaintiffs and the other members of the Class and the marketplace known of the true financial condition and lack of internal oversight of Immucor,

which were not disclosed by Defendants, Lead Plaintiffs and other members of the Class would not have purchased or otherwise acquired their Immucor securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

108. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

109. As a direct and proximate result of Defendants' wrongful conduct, Lead Plaintiffs and the other members of the Class suffered damages as a result of the fraudulent scheme undertaken by the Defendants and the economic loss suffered when the true facts were revealed to the public.

SECOND CLAIM

Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

110. Lead Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

111. The Individual Defendants acted as controlling persons of Immucor within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the statements filed by the Company with the SEC and disseminated to the investing

public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Lead Plaintiffs contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Lead Plaintiffs to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

112. In particular, the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, are presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

113. As set forth above, Immucor and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position, each as a controlling person, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.

114. As a direct and proximate result of Immucor's and the Individual Defendants' wrongful conduct, Lead Plaintiffs and the other members of the Class

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CERTIFICATE OF SERVICE

I hereby certify that on February 2, 2006, I electronically filed "Consolidated Class Action Complaint" with the Clerk of the Court using the CM/ECF system which will automatically send email notification of such filing to the following attorneys of record:

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I hereby certify that I have mailed by United States Postal Service the document to the following non-CM/ECF participants:

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