UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MARY K. JONES, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. PFIZER INC., HENRY A. McKINNELL, JEFFREY B. KINDLER, FRANK D'AMELIO, DAVID L. SHEDLARZ, ALAN G. LEVIN and IAN C. READ, Defendants.	Civil Action No. CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS DEMAND FOR JURY TRIAL

INTRODUCTION AND OVERVIEW

1. This is a class action for violations of the anti-fraud provisions of the federal securities laws on behalf of all purchasers of the publicly traded securities of Pfizer Inc. ("Pfizer" or the "Company") between July 20, 2005 and January 23, 2009 (the "Class Period"), who were damaged thereby (the "Class").

2. Pfizer is a pharmaceutical company engaged in the discovery, development, manufacture, and marketing of prescription medicines for humans and animals worldwide. The Company is also involved in the contract manufacturing and bulk pharmaceutical chemicals businesses, serving doctors, nurse practitioners, physician assistants, pharmacists, hospitals, pharmacy benefits managers, managed care organizations, and government agencies.

3. At various times during the Class Period, Pfizer manufactured, marketed, and sold many types of drugs, including Bextra, an anti-inflammatory, Geodon, an anti-psychotic, Zyvox, an antibiotic, and Lyrica, an anti-epileptic drug. During the Class Period, defendants misled investors by failing to disclose that they were engaged in an ongoing course of conduct designed to illegally promote the sale of Pfizer drugs. By such conduct, Pfizer caused hundreds of millions of dollars in false or fraudulent claims to be submitted to several federal healthcare programs, thus exposing the Company to untold legal liability. Specifically, defendants failed to disclose the following materially adverse facts:

(a) From February 1, 2002, though April 30, 2005, Pfizer illegally promoted the sales and use of Bextra for conditions (including acute pain and various types of surgical pain) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Bextra. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Bextra to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(b) From February 1, 2001, though December 31, 2007, Pfizer illegally promoted the sales and use of Geodon for conditions (including depression, bipolar maintenance, mood disorder, anxiety, aggression, dementia, attention deficit hyperactivity disorder, obsessive compulsive disorder, autism, and post-traumatic stress disorder) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Geodon. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Geodon to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(c) From February 1, 2001, though February 28, 2008, Pfizer illegally promoted the sales and use of Zyvox for conditions (including infections caused by methicillin-resistant Staphylococcus aureus ("MRSA") generally, rather than only those types of MRSA for which Zyvox was FDA-approved) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Zyvox. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Zyvox to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(d) From September 1, 2005 through October 31, 2008, Pfizer illegally promoted the sales and use of Lyrica for conditions (including chronic pain, certain types of neuropathic pain, peri-operative pain, and migraine) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Lyrica. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Lyrica to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

4. On January 26, 2009, Pfizer announced that it was paying $2.3 billion to resolve several ongoing investigations. These investigations included the improper promotion of and kickbacks involving Bextra, Geodon, Zyvox and Lyrica, as set forth above.

5. After the cost of resolving these investigations became public, the price of Pfizer common stock declined from $17.45 at the previous trading day's close to $15.65 on January 26, 2009, as the artificial inflation caused by defendants' false and misleading statements came out of the stock price.

JURISDICTION AND VENUE

6. The claims asserted arise under §§10(b) and 20(a) of the Securities Exchange Act of 1934 ("1934 Act") and Rule 10b-5. Jurisdiction is conferred by §27 of the 1934 Act. Venue is proper pursuant to §27 of the 1934 Act. Pfizer's headquarters are located in New York, New York, and false statements were made in this District and acts giving rise to the violations complained of occurred in this District.

THE PARTIES

7. Plaintiff Mary K. Jones purchased Pfizer securities during the Class Period as set forth in the attached certification and was damaged thereby.

8. Defendant Pfizer is a pharmaceutical company with its headquarters located in New York. Pfizer's stock is traded under the symbol PFE on the New York Stock Exchange, which is an efficient market.

9. Defendant Jeffrey B. Kindler ("Kindler") has served in various executive positions with Pfizer since 2002. He has served as CEO of the Company since 2006 and Chairman of the Board since February 2007.

10. Defendant Henry A. McKinnell ("McKinnell") served in various executive positions with Pfizer from 1971 to 2007. McKinnell was the Company's Chief Executive Officer ("CEO") from 2001 to 2006 and Chairman of the Board from 2001 until his retirement in February 2007.

11. Defendant Frank D'Amelio ("D'Amelio") has served as the Company's Chief Financial Officer ("CFO") since September 2007.

12. Defendant David L. Shedlarz ("Shedlarz") was, from January 1999 to July 2005, the Company's Executive Vice President and CFO, and served as Vice Chairman from March 2005 until his retirement in December 2007.

13. Defendant Alan G. Levin ("Levin") was, from March 2005 to September 2007, Senior Vice President and CFO of the Company.

14. Defendant Ian C. Read ("Read") has served in various executive positions with Pfizer since 1978 and as Senior Vice President and Group President, Worldwide Biopharmaceutical Operations of the Company since 2006.

15. The defendants named in ¶¶9-14 are referred to herein as the "Individual Defendants."

CLASS ACTION ALLEGATIONS

16. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased Pfizer publicly traded securities during the Class Period (the "Class"). Excluded from the Class are defendants and their families, directors and officers of Pfizer and their families and affiliates.

17. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. Pfizer had more than 8 billion shares of stock outstanding, owned by thousands of persons.

18. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

(a) Whether the 1934 Act was violated by defendants;

(b) Whether defendants omitted and/or misrepresented material facts;

(c) Whether defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(d) Whether defendants knew or recklessly disregarded that their statements were false and misleading;

(e) Whether the prices of Pfizer securities were artificially inflated; and

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

19. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from defendants' wrongful conduct.

20. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

21. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

SCIENTER

22. During the Class Period, the defendants had both the motive and opportunity to conduct fraud. They also had actual knowledge of the misleading nature of the statements they made or acted in reckless disregard of the true information known to them at the time. In so doing, the

defendants participated in a scheme to defraud and committed acts, practices and participated in a course of business that operated as a fraud or deceit on purchasers of Pfizer securities during the Class Period.

PRE-CLASS PERIOD STATEMENTS

1. On October 20, 2004, Pfizer issued a press release reporting the Company's third quarter 2004 financial performance. That release reported Bextra sales of $324 million, Geodon sales of $125 million, and Zyvox sales of $120 million.

2. On November 5, 2004, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the October 20, 2004 press release. The Form 10-Q was accompanied by certifications signed by defendants McKinnell and Shedlarz, which stated:

> I, [Henry A. McKinnell/David L. Shedlarz], certify that:
>
> 1. I have reviewed this report on Form 10-Q of Pfizer Inc.;
>
> 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
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> 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
>
> 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
>
> a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
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> b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the

effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

3. On January 19, 2005, the Company issued a press release reporting its 2004 financial results. This release reported worldwide Bextra sales of nearly $1.3 billion in 2004, Geodon global sales of $467 million, and Zyvox sales of $463 million.

4. On February 28, 2005, Pfizer filed a Form 10-K with the SEC setting forth the drug sales described in the January 19, 2005 release. The Form 10-K was accompanied by certifications signed by defendants McKinnell and Shedlarz, substantially identical to those quoted above.

5. The Company's Form 10-K also stated:

- We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. ***We do not believe any of them will have a material adverse effect on our financial position***. Litigation is inherently unpredictable, and excessive verdicts to occur. Although we believe we have substantial defenses in these matters, we could in the future incur judgments or enter into settlements or claims that could have a material adverse effect on our results of operations in any particular period.

* * *

Contingencies

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We record accruals for such contingencies to the extent that we conclude their occurrence is probable and the related damages are estimable.

6. On April 7, 2005, the Company issued a press release entitled "New FDA Labeling for Pfizer's Celebrex and All Other NSAIDs to Reflect Similar Cardiovascular Profile; Pfizer Separately Agrees to Suspend Sales of Bextra Due to FDA Evaluation of Risks of Rare but Serious Skin Reactions." The release stated in part:

Pfizer said today it will work with the U.S. Food and Drug Administration (FDA) to add expanded risk information in the Celebrex label following an FDA decision announced this morning to require boxed warnings of potential cardiovascular risk for all COX-2 pain relievers and all NSAIDs, including older non-specific drugs such as ibuprofen and naproxen.

* * *

Regarding Bextra, Pfizer's other oral Cox-2 inhibitor, the FDA informed Pfizer late yesterday that, in the agency's view, Bextra's cardiovascular risk could not be differentiated from other NSAIDs. However, the agency has concluded that the additional, increased risk of rare but serious skin reactions associated with Bextra, already described in its label, warrants its withdrawal from the market.

Pfizer respectfully disagrees with FDA's position regarding the overall risk/benefit profile of Bextra. However, in deference to the agency's views, the company has agreed to suspend sales of the medicine pending further discussions with the FDA. Pfizer said it will explore options with the agency under which the company might be permitted to resume making Bextra available to physicians and patients. For now, patients should stop taking Bextra and contact their physicians about appropriate treatment options.

In addition, at the request of European regulators, Pfizer will also suspend sales of Bextra in the European Union. The company is in contact with other regulatory agencies around the world and will take appropriate measures based on those discussions.

7. On April 19, 2005, Pfizer issued a press release reporting the Company's first quarter 2005 financial results. That release reported Geodon sales of $138 million, Lyrica sales of $20 million, Bextra sales of $56 million, and Zyvox sales of $143 million.

8. On April 19, 2005, on the Company's first quarter 2005 earnings conference call, defendants made or permitted Pfizer employees to make the following statements:

> [Karen Katen ("Katen"), Vice Chairman/Human Health:] First, Lyrica, now launched in the UK, Germany and Mexico, is showing strong first-year market performance and rapid uptake with 8.1% revenue share of the total antiepileptic market in Germany and 5.3% share in the UK after just five months on these markets. It should launch later in 2005 in the United States for diabetic peripheral neuropathy and posttraumatic (ph) neuralgia, pending the completion of a scheduling designation.
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> * * *
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> Geodon continues to outperform the market and was up 56% in the first quarter with revenue of $138 million. The recently launched bipolar mania indication expands the potential Geodon patient pool and the market is welcoming the very distinct benefits of this agent over older products.

9. On May 6, 2005, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the April 19, 2005 release. The Form 10-Q was accompanied by certifications signed by defendants McKinnell and Levin substantially identical to those quoted above.

10. On June 13, 2005, the Company issued a press release entitled "FDA Approves Pfizer's Lyrica as Epilepsy Add-On Treatment for Partial Onset Seizures," which stated in part:

> Pfizer Inc said today that it has received U.S. Food and Drug Administration (FDA) approval to market Lyrica™ (pregabalin) for adjunctive treatment of partial onset seizures in adults with epilepsy.
>
> Partial onset seizures represent over half of all seizures in patients with epilepsy, a chronic neurological condition affecting nearly three million Americans. While epilepsy can be caused by genetic predisposition or head injuries, in most cases the cause is unknown. Despite the availability of current treatments, many patients still experience uncontrolled seizures.

FALSE AND MISLEADING STATEMENTS DURING THE CLASS PERIOD

23. On July 20, 2005, Pfizer issued a press release reporting the Company's financial results for the second quarter of 2005. That release reported Geodon sales of $145 million, Lyrica sales of $38 million, and Zyvox sales of $153 million.

24. On July 20, 2005, on the Company's second quarter 2005 earnings conference call, defendants made or permitted other Pfizer employees to make the following statements:

> [Katen:] The highlights of the first half include Lyrica launch. Lyrica received FDA approval, as you know, for adjunctive therapy for adults with partial onset seizures – epilepsy. And that expands on its approval for the two most common forms of neuropathic pain. So we will have – so potentially we have 3 million patients in the U.S. who could benefit from this medicine.
>
> We expect to launch Lyrica in the U.S. as soon as the final DEA scheduling is received. We have not received it yet, although we expect it will be a 5 – category 5. And it will build on the recent success we've experienced in virtually every other market where the product has been launched – UK, Germany, Mexico – spectacular launch experiences. I just was in Spain and they again have had an incredibly powerful launch of the product in that market. So, these are very, very good, sterling examples, and the U.S., I'm sure, will follow.

25. On August 8, 2005, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the July 20, 2005 release. The Form 10-Q was accompanied by certifications signed by defendants McKinnell and Levin substantially identical to those quoted above.

26. On September 21, 2005, the Company issued a press release entitled "Pfizer's Lyrica Now Available for Patients," which stated in part:

> Pfizer Inc announced today that Lyrica® (pregabalin) capsules c-v, a new prescription medication for the management of neuropathic pain associated with diabetic peripheral neuropathy (DPN), postherpetic neuralgia (PHN) and adjunctive treatment of partial onset seizures in adults with epilepsy, is now available in U.S. pharmacies.

27. On October 20, 2005, Pfizer issued a press release reporting the Company's financial results for the third quarter of 2005. That release reported Geodon sales of $148 million, Lyrica sales of $80 million, and Zyvox sales of $157 million.

28. On October 20, 2005, on the Company's third quarter 2005 earnings conference call, defendants made or permitted Pfizer employees to make the following statements:

> [Katen:] In September, we launched Lyrica in the U.S., Canada, and Italy. It's already been one of the most successful launches ever in Europe. Lyrica is the first new medicine in recent years for epilepsy and two of the most common forms of neuropathic pain. And in its first two weeks in the U.S., it was the most frequently detailed product among high-writing primary care physicians.
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> * * *
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> [McKinnell]: If we take a ruler and put on these two weeks of Lyrica, we'll own the world.

29. On November 9, 2005, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the October 20, 2005 release. The Form 10-Q was accompanied by certifications signed by defendants McKinnell and Levin substantially identical to those quoted above.

30. On January 19, 2006, Pfizer issued a press release reporting the Company's financial results for the fourth quarter and full year 2005. That release reported Geodon sales of $159 million for the quarter and $589 million for the year; Lyrica sales of $153 million for the quarter and $291 million for the year; and Zyvox sales of $164 million for the quarter and $618 million for the year.

31. On January 19, 2006, on the Company's fourth quarter 2005 earnings conference call, defendants made or permitted Pfizer employees to make the following statements:

> [Robert Hazlett – SunTrust Robinson Humphrey – Analyst:] Regarding Lyrica – a couple of product questions I guess – Lyrica, a solid launch is underway there. We have seen a fairly significant amount of journal advertising focused on the pain indication. Can you give us breakdown of its use epilepsy versus pain if you can?
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> * * *

[Pat Kelly ("Kelly"), President of Pfizer U.S. Pharmaceuticals:] On Lyrica it is important to note that the epilepsy market and the neuropathic pain market are quite different in size. The epilepsy market, while very important from a medical need point of view, is quite small because there are not that many epileptic patients. However, there are an extraordinary number of patients with neuropathic pain, and many of which are not satisfied with the pain relief they are currently receiving. And thus have been responsible for a lot of the rapid uptake in Lyrica, because of the strong clinical benefit the product provides. Again it is an unfair comparison to ask which is contributing more. Pain will always contribute more because it is a much larger market.

32. On February 10, 2006, at the Pfizer Analyst Meeting, defendants made or permitted Pfizer employees to make the following statements:

[Shedlarz:] We launched four new products in the U.S., capped by the very successful launch of Lyrica.

* * *

[Kelly:] Now I'd like to highlight another fast-growing Pfizer product with plenty of growth potential left – Geodon. Geodon is approved in 81 countries for schizophrenia and 36 countries for bipolar mania, and in the U.S., it is performing quite well – 23% growth in total prescriptions over 2004 versus 4% growth in the market. In the U.S., market potential, as you can see, is quite large. Geodon is also outpacing market growth in all other regions worldwide.

* * *

To accelerate Geodon growth, we're encouraging psychiatrists to put on their white coats again and seek a treatment that allows them to optimize total patient outcomes. This is especially important in the schizophrenia population, which has a higher rate of metabolic syndrome than the general population. Geodon is uniquely suited to meet this need with a balance of powerful efficacy and the best metabolic profile in its class.

* * *

We believe Geodon has room to grow even further because of an expansive clinical development program, a winning product profile and statements like this from Dr. [Steven Saul] at UCSD. Quote – the atypical that will be used the most will be the one whose efficacy is robust, dosing is clear, has evident mood-enhancing effects and whose side effects do not include sedation or weight gain. We believe the answer to Dr. Saul's question is Geodon.

* * *

Lyrica speaks for itself, and its early performance show[s] that patients and physicians are clearly listening. The strong launch of Lyrica in the U.S. echoes its earlier strong launches in the EU. Weekly new and total prescription rates are soaring, as is our market share.

Physicians understand the value of Lyrica, as their prescribing rates in the U.S. show. When writing a new prescription for DPN or PHN, two of the most common forms of neuropathic pain, both primary care docs and neurologists are selecting Lyrica over all other agents.

Physicians are prescribing Lyrica because of the positive experience patients who use it are having. The anecdotal response has been extraordinarily encouraging. Physicians say things like, within 24 hours, the patient called me to say her pain had been reduced by 75%. Or, this is the first time the patient has been comfortable in years. In our surveys of doctors, 70% cite rapid pain relief as the primary attribute they associate with Lyrica.

Across primary care physicians and neurologists, almost 80% of prescriptions for Lyrica are being written for doses greater than or equal to 150 mg a day, with the majority of that does [sic] DID. The average daily dose for all uses is 183 mg per day. Doctors generally view Lyrica as quite easy to dose, particularly as compared to gabapentin. One neurologist told us, with Neurontin, you'd have to push the dose. But with Lyrica, everyone is on 150 or 300 mg with pain relief.

* * *

[Katen:] We expect sales of Geodon to grow to $800 million and sales of the recently launched Lyrica to nearly triple to $900 million.

33. On March 1, 2006, Pfizer filed a Form 10-K with the SEC setting forth the drug sales described in the January 19, 2006 release. The Form 10-K was accompanied by certifications signed by defendants McKinnell and Levin substantially identical to those quoted above.

34. The 10-K also stated:

Legal Proceedings

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. Litigation is inherently unpredictable, and excessive verdicts do occur. Although we believe we have substantial defenses in these matters, we could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period.

* * *

Contingencies

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We record accruals for such contingencies to the extent that we conclude their occurrence is probable and the related damages are estimable.

* * *

Legal Proceedings and Contingencies

We and certain of our subsidiaries are involved in various patent, product liability consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We do not believe any of them will have a material adverse effect on our financial position.

* * *

F. Government Investigations and Requests for Information

* * *

We received requests for information and documents from the Department of Justice in 2003 concerning the marketing of Genotropin as well as certain managed care payments, and in 2005 concerning certain physician payments budgeted to our prescription pharmaceutical products.

In 2003 and 2004, we receive requests for information and documents concerning the marketing and safety of Bextra and Celebrex from the Department of Justice and a group of state attorneys general. In 2005, we received a similar request from the staff of the Securities and Exchange Commission.

35. On April 19, 2006, Pfizer issued a press release reporting the Company's financial results for the first quarter of 2006. That release reported Lyrica sales of $192 million, Geodon sales of $182 million, and Zyvox sales of $186 million.

36. On April 19, 2006, on the Company's first quarter 2006 earnings conference call, defendants made or permitted Pfizer employees to make the following statements:

[McKinnell:] Lyrica continued to deliver exceptional results, and we now expect Lyrica to achieve $900 million or more in sales this year.

* * *

[Chris Schott – Banc of America – Analyst:] And the second question is on Lyrica, in terms of the uptick we're seeing for that product. Can you just kind of walk-through within the different indications where you are seeing kind of the greatest traction thus far?

* * *

[Katen:] On Lyrica, as you point out, it has had extraordinarily successful launches in every market it's been introduced. . . . [M]ore than 1 million patients have now been prescribed Lyrica since we launched it. The market share in the US is growing nicely. It's the agent of choice already for diabetic peripheral neuropathy and postherpetic neuralgia. So it has great acceptance in the primary care marketplace. We also have seen that market, DPN/PHN, grow by 21% in terms of new prescriptions during the first three months following the Lyrica launch. So it has created market for these patients and, as a result, has grown substantially.

* * *

[McKinnell:] One of the most successful launches ever.

* * *

[Jami Rubin – Morgan Stanley – Analyst:] On Geodon, I was wondering if there was a dual eligible benefit that you could help to quantify this quarter, because sales do look to have accelerated from sequential quarters.

* * *

[Joe Feczko, Pfizer President, Worldwide Development:] I think people are getting more comfortable with the safety profile of Geodon and are pushing the dose higher. We have always been hampered a little bit, I think, with the initial label and the fear of QTc changes, so there was a dose titration. And we knew also from our clinical studies that there was much better efficacy at the higher doses than the lower doses. And so I think psychiatrists are just getting more comfortable pushing the dose higher.

37. On May 2, 2006, at the Deutsche Bank Securities 31st Annual Healthcare Conference, defendant Shedlarz made the following statements:

Key products such as Lyrica, Celebrex, and Geodon contributed strong revenue growth during the first quarter. New products like Lyrica are increasingly

> compensating for revenues lost to patent expirations and loss of marketing exclusivity.
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> * * *
>
> The performance of our key in-line products including Lipitor, Celebrex, Lyrica, and Geodon will continue to drive overall performance. . . . With Lyrica being one of the most successful pharmaceutical launches ever, we now expect Lyrica to achieve full-year revenues of at least $900 million.
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> We expect full-year 2006 Geodon revenues of about $800 million. Geodon's strong performance is due to the improved perception among clinicians of its efficacy, increased benefits for optimal dosing and its favorable metabolic profile. Geodon is uniquely positioned to allow physicians to treat mental health with the body and mind.

38. On May 8, 2006, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the April 19, 2006 release. The Form 10-Q was accompanied by certifications signed by defendants McKinnell and Levin substantially identical to those quoted above.

39. On July 20, 2006, Pfizer issued a press release reporting the Company's financial results for the second quarter of 2006. That release reported Lyrica sales of $271 million, Geodon sales of $165 million, and Zyvox sales of $167 million.

40. On July 20, 2006, on the Company's second quarter 2006 earnings conference call, defendants made or permitted Pfizer employees to make the following statement:

> [Katen:] Lyrica has been very well-received by both physicians and patients, because of its ability to relieve debilitating neuropathic pain. We have received countless letters from patients and physicians expressing their appreciation for this great medicine. We believe those patients are also sharing their positive experiences with each other, and their word of mouth is helping to drive Lyrica's success.

41. On August 11, 2006, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the July 20, 2006 release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and Levin substantially identical to those quoted above.

42. On October 19, 2006, Pfizer issued a press release reporting the Company's financial results for the third quarter of 2006. That release reported Lyrica sales of $340 million, Geodon sales of $201 million, and Zyvox sales of $206 million.

43. On October 19, 2006, on the Company's third quarter 2006 earnings conference call, defendant Shedlarz made the following statement:

Lyrica worldwide sales reached $340 million in the third quarter.

44. On November 3, 2006, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the October 19, 2006 release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and Levin substantially identical to those quoted above.

45. On January 22, 2007, Pfizer issued a press release reporting the Company's financial results for the fourth quarter and full year 2006. That release reported Lyrica sales of $353 million for the quarter and more than $1.1 billion for the year; Geodon sales of $210 million for the quarter and $758 million for the year; and Zyvox sales of $223 million for the quarter and $782 million for the year.

46. On January 22, 2007, at the Pfizer Analyst Meeting, defendant Read made the following statements:

> Lyrica's launch has gone extremely well, and with excellent feedback from both patients and physicians, we have an exciting new marketing initiative aimed at improving the appropriate diagnosis of patients, and we are optimistic about the potential new indication for fibromyalgia.
>
> Another drug, Geodon, is a quiet but impressive success story. It is now the fastest-growing atypical agent in the US, and I will give you an update on what is driving this.
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> * * *
>
> Finally, we are preparing for an exciting, potentially new indication [for Lyrica], fibromyalgia. But first let's talk about improving growth in our core indications as the data on this slide supports. 73% of general practitioners are extremely satisfied with Lyrica versus less than half for gabapentin. In addition,

almost 80% of physicians in our market research said they would increase prescriptions of Lyrica versus only 10% for gabapentin.

* * *

Let's now look at Geodon, a growing success story. Geodon's 2006 sales of over $600 million and a growth of 31% is a clear sign that the atypical antipsychotic market is changing. With the publication of the landmark CATIE study last year, focus on the metabolic profiles of these agents has intensified. More and more, psychiatrists are recognizing that they need to treat with the body in mind.

This fact is underscored as they realize the consequence of this metabolic imbalance. Patients with serious mental health die on average 30 years before the natural population. Better understanding of Geodon's dosing, as well as its superior metabolic profile, has made Geodon the fastest-growing atypical medicine in the US market.

This growth is being fueled by the results of the major NIMH CATIE study, which showed Geodon to have a benign metabolic profile. Patients who took Geodon were the only, the only patients who had a reversal of all metabolic parameters – triglycerides, weight and total cholesterol.

Pfizer has led the charge through its "Know the Facts," a national screening campaign across the US focused on 30,000 patients with mental illness. This campaign highlights the fact that patients with schizophrenia have four times the rate of diabetes as established in the CATIE study. 41% have metabolic syndrome. This program and the favorable market dynamics highlights the growth potential for Geodon.

47. On March 1, 2007, Pfizer filed a Form 10-K with the SEC setting forth the drug sales described in the January 22, 2007 release. The Form 10-K was accompanied by certifications signed by defendants Kindler and Levin substantially identical to those quoted above.

48. The 10-K also stated:

Legal Proceedings

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims, government investigations, and other legal proceedings that arise from time to time in the ordinary course of our business. Litigation is inherently unpredictable, and excessive verdicts do occur. Although we believe we have substantial defenses in these matters, we could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period.

* * *

Contingencies

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We record accruals for such contingencies to the extent that we conclude their occurrence is probable and the related damages are estimable.

* * *

Legal Proceedings and Contingencies

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We do not believe any of them will have a material adverse effect on our financial position.

* * *

F. Government Investigations and Requests for Information

Like other pharmaceutical companies, we are subject to extensive regulation by national, state and local government agencies in the U.S. and in the other countries in which we operate. As a result, we have interactions with government agencies on an ongoing basis. Among the investigations and requests for information by government agencies are those discussed below. It is possible that criminal charges and fines and/or civil penalties could result from pending government investigations.

* * *

Since 2003, we have received requests for information and documents concerning the marketing and safety of Bextra and Celebrex from the Department of Justice and a group of state attorneys general. We have been considering various ways to resolve these matters.

Since 2005, we have received requests for information and documents from the Department of Justice concerning certain physician payments budgeted to our prescription pharmaceutical products.

49. On April 20, 2007, Pfizer issued a press release reporting the Company's first quarter 2007 financial performance. That release reported Lyrica sales of $395 million, representing growth

of 106% compared to the same period in 2006, Geodon sales of $216 million, and Zyvox sales of $258 million.

50. On April 20, 2007, on the Company's first quarter 2007 earnings conference call, defendant Read made the following statements:

> On Lyrica, we had a great quarter on Lyrica. We doubled the sales globally and in the US, a tremendous scrip growth, also a contribution from price. I think when you look at Lipitor's performance – Lyrica's performance, sorry, there's a huge potential still in the market of DPN and PHN. On top of that, look at the scrips and look at the number of units per scrip. We're seeing significant growth in the number of units per scrip, up almost 20% in this quarter against prior quarters. So that's a fundamental factor in understanding the volume drivers with Lyrica.

51. On May 4, 2007, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the April 20, 2007 press release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and Levin substantially identical to those quoted above.

52. On June 21, 2007, the Company issued a press release entitled "Pfizer's Lyrica Receives FDA Approval for Fibromyalgia Based on Expedited Review," which stated in part:

> Pfizer announced today that the Food and Drug Administration (FDA) approved Lyrica® (pregabalin) capsules CV for the management of fibromyalgia, one of the most common chronic, widespread pain conditions in the United States. The approval of Lyrica, which received a priority review, represents a breakthrough for the more than six million Americans who suffer from this debilitating condition who previously had no FDA approved treatment options.

53. On October 18, 2007, Pfizer issued a press release reporting the Company's third quarter 2007 financial results. That release reported Lyrica revenues of $465 million, Geodon sales of $228 million, and Zyvox sales of $232 million.

54. On October 18, 2007, on the Company's third quarter 2007 earnings conference call, defendants made the following statements:

> [Kindler:] Geodon is growing at a rate of two times the market for atypical antipsychotics.

* * *

> [D'Amelio:] Revenues of Lyrica, our medicine for the management of neuropathic pain and most recently fibromyalgia, increased 37% to $465 million.

55. On November 5, 2007, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the October 18, 2007 press release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and D'Amelio substantially identical to those quoted above.

56. On January 23, 2008, Pfizer issued a press release reporting the Company's full year 2007 financial performance. That release reported Lyrica sales of $564 million for the fourth quarter and $1.8 billion for the full year 2007; Geodon sales of $232 million for the fourth quarter and $854 million for the full year 2007; and Zyvox sales of $252 million for the fourth quarter and $944 million for the full year 2007.

57. On January 23, 2008, on the Company's fourth quarter 2007 earnings conference call, defendant D'Amelio made the following statement:

> Lyrica, our medicine for the management of neuropathic pain and, more recently, fibromyalgia, delivered revenues of [$]564 million, an increase of 60% compared with the year-ago quarter.

58. On February 29, 2008, Pfizer filed a Form 10-K with the SEC setting forth the drug sales described in the January 23, 2008 release. The Form 10-K was accompanied by certifications signed by defendants Kindler and D'Amelio substantially identical to those quoted above.

59. The Company's Form 10-K also stated:

> **Legal Proceedings**
>
> We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims, government investigations, and other legal proceedings that arise from time to time in the ordinary course of our business. Litigation is inherently unpredictable, and excessive verdicts do occur. Although we believe we have substantial defenses in these matters, we could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period.

* * *

Contingencies

We and certain of our subsidiaries are involved in various patent, product liability, consumer, commercial, securities, environmental and tax litigations and claims; government investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. Except for income tax contingencies, we record accruals for contingencies to the extent that we conclude their occurrence is probable and the related damages are estimable . . . .

* * *

D. Government Investigations and Requests for Information

Like other pharmaceutical companies, we are subject to extensive regulation by national, state and local government agencies in the U.S. and in other countries in which we operate. As a result, we have interactions with government agencies on an ongoing basis. Among the investigations and requests for information by government agencies are those discussed below. It is possible that criminal charges and fines and/or civil penalties could result from pending government investigations, including but not limited to those discussed below.

The Department of Justice continues to actively investigate the marketing and safety of our COX-2 medicines, particularly Bextra. The investigation has included requests for information and documents. We also have received requests for information and documents in connection with threatened claims concerning the marketing and safety of Bextra and Celebrex from a group of state attorneys general. We have been considering various ways to resolve these matters.

Separately, the Department of Justice continues to actively investigate certain physician payments budgeted to our prescription pharmaceutical products. The investigation has included requests for information and documents.

60. On April 17, 2008, Pfizer issued a press release reporting the Company's first quarter 2008 financial performance. That release reported Lyrica sales of $582 million, Geodon sales of $241 million, and Zyvox sales of $259 million.

61. On May 2, 2008, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the April 17, 2008 release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and D'Amelio substantially identical to those quoted above.

62. On July 23, 2008, Pfizer issued a press release reporting the Company's second quarter 2008 financial performance. That release reported Lyrica sales of $614 million, Geodon sales of $232 million, and Zyvox sales of $292 million.

63. On August 8, 2008, Pfizer filed a Form 10-Q with the SEC setting forth the financial results described in the July 23, 2008 release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and D'Amelio substantially identical to those quoted above.

64. On October 21, 2008, Pfizer issued a press release reporting the Company's third quarter 2008 financial performance. That release reported Lyrica sales of $675 million, Geodon sales of $258 million, and Zyvox sales of $281 million.

65. On October 21, 2008, on the Company's third quarter 2008 earnings conference call, defendant D'Amelio made the following statements:

> Lyrica continued to deliver strong performance with revenues of $675 million, an increase of 45% year over year.
>
> * * *
>
> We continue to see steady growth from several key products including Lyrica . . . and Geodon.

66. On October 22, 2008, the Company issued a press release entitled "Pfizer Completes Settlement Agreements with State Attorneys General Regarding its NSAID Pain Medications," which stated in part:

> Pfizer Inc announced today that it has finalized agreements with 33 states and the District of Columbia to resolve claims primarily related to alleged promotional practices for Bextra, a medication Pfizer voluntarily withdrew from the United States market in 2005. Last week Pfizer announced agreements in principle to resolve these state claims, indicating that it would pay $60 million and adopt compliance measures as part of the settlement that complement policies and procedures previously established by the Company.

67. On November 7, 2008, Pfizer filed a Form 10-Q with the SEC setting forth the drug sales described in the October 21, 2008 release. The Form 10-Q was accompanied by certifications signed by defendants Kindler and D'Amelio substantially identical to those quoted above.

DEFENDANTS' CLASS PERIOD STATEMENTS WERE FALSE AND MISLEADING

68. Defendants misled investors by failing to disclose that they were engaged in an ongoing course of conduct designed to illegally promote the sale of Pfizer drugs. By such conduct, Pfizer caused hundreds of millions of dollars in false or fraudulent claims to be submitted to several federal healthcare programs, thus exposing the Company to untold legal liability. Specifically, defendants failed to disclose the following:

(a) From February 1, 2002, though April 30, 2005, Pfizer illegally promoted the sales and use of Bextra for conditions (including acute pain and various types of surgical pain) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Bextra. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Bextra to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(b) From February 1, 2001, though December 31, 2007, Pfizer illegally promoted the sales and use of Geodon for conditions (including depression, bipolar maintenance, mood disorder, anxiety, aggression, dementia, attention deficit hyperactivity disorder, obsessive compulsive disorder, autism, and post-traumatic stress disorder) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Geodon. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Geodon to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(c) From February 1, 2001, though February 28, 2008, Pfizer illegally promoted the sales and use of Zyvox for conditions (including infections caused by MRSA generally, rather than only those types of MRSA for which Zyvox was FDA-approved) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Zyvox. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Zyvox to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

(d) From September 1, 2005 through October 31, 2008, Pfizer illegally promoted the sales and use of Lyrica for conditions (including chronic pain, certain types of neuropathic pain, peri-operative pain, and migraine) and at dosages other than those for which its use was approved by the FDA. Pfizer also offered and paid illegal kickbacks to healthcare professionals to induce them to promote and prescribe Lyrica. As a result of this conduct, Pfizer knowingly caused false or fraudulent claims for Lyrica to be submitted to, or caused purchases by, Medicaid and other federal healthcare programs.

THE TRUTH COMES TO LIGHT

69. On January 26, 2009, the Company issued a press release entitled "Pfizer Reports Fourth-Quarter and Full-Year 2008 Results and 2009 Financial Guidance," which stated in part:

> For fourth-quarter 2008, Pfizer posted reported net income of $266 million, a decline of 90% compared with the prior-year quarter, and reported diluted EPS of $0.04, a decrease of 90% compared with the prior-year quarter. ***Fourth-quarter 2008 results were impacted by a $2.3 million pre-tax and after-tax charge resulting from an agreement in principle with the Office of Michael Sullivan, the United States Attorney for the District of Massachusetts, to resolve previously disclosed investigations regarding allegations of past off-label promotional practices concerning Bextra, as well as other open investigations***.

70. On January 26, 2009, on the Company's conference call, defendant D'Amelio made following statement:

> These significant year-over-year decreases were primarily driven by a $2.3 billion pretax and after-tax charge resulting from an agreement in principle to resolve previously disclosed investigations regarding allegations of past off-label promotional practices concerning Bextra, as well as other open investigations.

71. As a result of these disclosures, the price of Pfizer common stock declined from a closing price of $17.45 on January 23, 2009, the previous trading day, to close at $15.65 on January 26, 2009 as the artificial inflation caused by defendants' false and misleading statements came out of the stock price.

72. On September 2, 2009, the United States Department of Justice issued a press release entitled "Justice Department Announces Largest Health Care Fraud Settlement in Its History; Pfizer to Pay $2.3 Billion for Fraudulent Marketing." The release stated in part:

> American pharmaceutical giant Pfizer Inc. and its subsidiary Pharmacia & Upjohn Company Inc. (hereinafter together "Pfizer") have agreed to pay $2.3 billion, the largest health care fraud settlement in the history of the Department of Justice, to resolve criminal and civil liability arising from the illegal promotion of certain pharmaceutical products, the Justice Department announced today.
>
> Pharmacia & Upjohn Company has agreed to plead guilty to a felony violation of the Food, Drug and Cosmetic Act for misbranding Bextra with the intent to defraud or mislead. Bextra is an anti-inflammatory drug that Pfizer pulled from the market in 2005. Under the provisions of the Food, Drug and Cosmetic Act, a company must specify the intended uses of a product in its new drug application to FDA. Once approved, the drug may not be marketed or promoted for so-called "off-label" uses – i.e., any use not specified in an application and approved by FDA. Pfizer promoted the sale of Bextra for several uses and dosages that the FDA specifically declined to approve due to safety concerns. The company will pay a criminal fine of $1.195 billion, ***the largest criminal fine ever imposed in the United States for any matter***. Pharmacia & Upjohn will also forfeit $105 million, for a total criminal resolution of $1.3 billion.
>
> In addition, Pfizer has agreed to pay $1 billion to resolve allegations under the civil False Claims Act that the company illegally promoted four drugs – Bextra; Geodon, an anti-psychotic drug; Zyvox, an antibiotic; and Lyrica, an anti-epileptic drug – and caused false claims to be submitted to government health care programs for uses that were not medically accepted indications and therefore not covered by those programs. The civil settlement also resolves allegations that Pfizer paid kickbacks to health care providers to induce them to prescribe these, as well as other, drugs. The federal share of the civil settlement is $668,514,830 and the state

Medicaid share of the civil settlement is $331,485,170. ***This is the largest civil fraud settlement in history against a pharmaceutical company***.

* * *

The U.S. Attorney's offices for the District of Massachusetts, the Eastern District of Pennsylvania, and the Eastern District of Kentucky, and the Civil Division of the Department of Justice handled these cases.

* * *

"Illegal conduct and fraud by pharmaceutical companies puts the public health at risk, corrupts medical decisions by health care providers, and costs the government billions of dollars," said Tony West, Assistant Attorney General for the Civil Division. "This civil settlement and plea agreement by Pfizer represent yet another example of what penalties will be faced when a pharmaceutical company puts profits ahead of patient welfare."

"***The size and seriousness of this resolution, including the huge criminal fine of $1.3 billion, reflect the seriousness and scope of Pfizer's crimes***," said Mike Loucks, acting U.S. Attorney for the District of Massachusetts. "Pfizer violated the law over an extensive time period. Furthermore, ***at the very same time Pfizer was in our office negotiating and resolving the allegations of criminal conduct by its then newly acquired subsidiary, Warner-Lambert, Pfizer was itself in its other operations violating those very same laws. Today's enormous fine demonstrates that such blatant and continued disregard of the law will not be tolerated***."

73. On September 2, 2009, Pfizer issued a press release entitled "Pfizer Concludes Previously Disclosed Settlement Agreement with U.S. Department of Justice Regarding Past Promotional Practices," which stated in part:

Pfizer Inc today announced that it has finalized a previously reported agreement in principle with the U.S. Department of Justice (DOJ) to settle an investigation regarding past off-label promotional practices related to Bextra, which Pfizer voluntarily withdrew from the market in 2005. The final agreement also resolves other DOJ investigations involving alleged past off-label promotional practices concerning Zyvox, Geodon and Lyrica, allegations related to certain payments to healthcare professionals involving these and nine other Pfizer medicines, and several related qui tam actions. Pfizer previously disclosed a related $2.3 billion charge to its fourth-quarter and full-year 2008 earnings in connection with the DOJ agreement in principle on January 26, 2009. No additional charge to the company's earnings will be recorded in connection with this settlement.

In addition, the company has reached agreements with attorneys general in 42 states and the District of Columbia to settle state civil consumer protection

allegations related to its past promotional practices concerning Geodon. The company will pay a total of $33 million to the settling states and will take a charge in that amount to third-quarter 2009 earnings.

"These agreements bring final closure to significant legal matters and help to enhance our focus on what we do best – discovering, developing and delivering innovative medicines to treat patients dealing with some of the world's most debilitating diseases," said Amy W. Schulman, senior vice president and general counsel of Pfizer. "We regret certain actions taken in the past, but are proud of the action we've taken to strengthen our internal controls and pioneer new procedures so that we not only comply with state and federal laws, but also meet the high standards that patients, physicians and the public expect from a leading worldwide company dedicated to healing and better health. Corporate integrity is an absolute priority for Pfizer, and we will continue to take appropriate actions to further enhance our compliance practices and strengthen public trust in our company."

Under the agreement with the DOJ, Pfizer will pay a previously disclosed total of $2.3 billion ($1.0 billion in civil payments related to a number of medicines, and a $1.3 billion criminal penalty related only to Bextra), and a Pfizer subsidiary, Pharmacia Upjohn Company, Inc., will plead guilty to one criminal count of violating the U.S. Food, Drug, and Cosmetic Act related to its past promotion of Bextra. A portion of the civil payments will be distributed to 49 states and the District of Columbia pursuant to agreements with each state's Medicaid division.

The terms of the DOJ settlement require Pfizer to pay approximately $503 million to resolve civil allegations concerning past promotional practices related to Bextra. In addition, the company will make payments to resolve other civil allegations involving past promotional practices as follows: approximately $301 million for Geodon, approximately $98 million for Zyvox, and approximately $50 million for Lyrica. The settlement also includes a civil payment of approximately $48 million to resolve allegations relating to certain payments to healthcare professionals involving nine other Pfizer medicines.

Pfizer expressly denies all of these civil allegations, with the exception that Pfizer acknowledges certain improper actions related to the promotion of Zyvox.

LOSS CAUSATION/ECONOMIC LOSS

74. During the Class Period, as detailed herein, defendants made false and misleading statements regarding their illegal promotion and sale of Pfizer drugs and engaged in a scheme to deceive the market. This artificially inflated Pfizer's stock price and operated as a fraud or deceit on the Class. Later, when defendants' prior misrepresentations and fraudulent conduct became apparent to the market, Pfizer's stock price fell precipitously, as the prior artificial inflation came out of the

stock price over time. As a result of their purchases of Pfizer securities during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

NO SAFE HARBOR

75. Pfizer's verbal "Safe Harbor" warnings accompanying its oral forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability.

76. The defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of Pfizer who knew that the FLS was false. None of the historic or present tense statements made by defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET

77. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine in that, among other things:

(a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(b) The omissions and misrepresentations were material;

(c) The Company's stock traded in an efficient market;

(d) The misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's stock; and

(e) Plaintiff and other members of the Class purchased Pfizer securities between the time defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

78. At all relevant times, the market for Pfizer securities was efficient for the following reasons, among others:

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

(b) Pfizer regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts and other similar reporting services.

COUNT I

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

79. Plaintiff incorporates ¶¶1-78 by reference.

80. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

81. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

(a) Employed devices, schemes, and artifices to defraud;

(b) Made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) Engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Pfizer securities during the Class Period.

82. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Pfizer securities. Plaintiff and the Class would not have purchased Pfizer securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

83. As a direct and proximate result of these defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of Pfizer securities during the Class Period.

COUNT II

For Violation of §20(a) of the 1934 Act Against All Defendants

84. Plaintiff incorporates ¶¶1-83 by reference.

85. The Individual Defendants acted as controlling persons of Pfizer within the meaning of §20 of the 1934 Act. By virtue of their positions and their power to control public statements about Pfizer, the Individual Defendants had the power and ability to control the actions of Pfizer and its employees. Pfizer controlled the Individual Defendants and its other officers and employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;

B. Awarding plaintiff and the members of the Class damages and interest;

C. Awarding plaintiff's reasonable costs, including attorneys' fees; and

D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: May __, 2010

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