

Shareholder Alert: Bernstein Litowitz Berger & Grossmann LLP Announces the Filing of Securities Class Action Lawsuit Against Abbott Laboratories

New York, NY – (Business Wire) – August 31, 2022 – Today, prominent investor rights law firm Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Northern District of Illinois against Abbott Laboratories (“Abbott” or the “Company”) and certain of the Company’s senior executives (collectively, “Defendants”) on behalf of investors that purchased or otherwise acquired Abbott common stock during the period from February 19, 2021 to June 8, 2022, inclusive (the “Class Period”).

BLB&G filed this action on behalf of its client, Pembroke Pines Firefighters & Police Officers Pension Fund, and the case is captioned *Pembroke Pines Firefighters & Police Officers Pension Fund v. Abbott Laboratories*, No. 1:22-cv-4661 (N.D. Ill.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. A copy of the complaint is available on BLB&G’s website by clicking [here](#).

Abbott’s Alleged Fraud

Abbott is a medical device and health care company that provides a broad line of products, including various forms of infant formula sold under the brand names Similac, Alimentum, and EleCare. By early 2022, Abbott was responsible for producing 40 percent of the United States’ infant formula. Of that amount, nearly half was produced in the Company’s manufacturing facility in Sturgis, Michigan (“Sturgis”), meaning that Abbott’s Sturgis facility fed roughly one in six formula-fed babies in the United States.

The complaint alleges that, throughout the Class Period, Defendants made numerous materially false and misleading statements and omissions concerning what the U.S. Food and Drug Administration (“FDA”) called “egregiously unsanitary” conditions at the Company’s Sturgis facility. Specifically, Defendants repeatedly touted to investors the safety and salability of Abbott’s infant formula brands and their contribution to the Company’s sales and revenue growth.

In truth, Abbott’s Sturgis facility was in flagrant violation of multiple federal and state health and safety regulations. Those violations, which Defendants willfully or recklessly concealed from investors, put Abbott’s infant formula business in dire jeopardy and left the Company exposed to a risk of severe regulatory action, including the recall of its products and closure of the Sturgis facility. By no later than February 2021 and continuing throughout the Class Period, Abbott and Defendants received direct warnings, communications, FDA inspection reports, and consumer complaints identifying in detail the safety and regulatory violations that were rampant at the Sturgis facility. As a result of Defendants’ misrepresentations and omissions, Abbott common stock traded at artificially inflated prices during the Class Period.

The truth began to emerge on February 17, 2022, when the FDA publicly announced that it was investigating four consumer complaints of infant illness related to powdered infant formula produced by Abbott in Sturgis. The FDA stated that it had initiated an onsite inspection at the facility, and to date had found several positive contamination results from environmental samples for a bacteria, *Cronobacter sakazakii* (“Cronobacter”), linked to infant illnesses and death. The FDA also revealed that its review of Abbott’s internal records indicated “environmental contamination with Cronobacter and the firm’s destruction of product due to the presence of Cronobacter.” As a result of these disclosures, the price of Abbott stock declined \$3.79 per share, or 3.14%. In

the following days, Abbott was forced to close the Sturgis plant due to the severe safety problems, shuttering one of the major sources of infant formula for the entire United States, as well as certain Canadian and foreign markets.

Approximately one month later, on March 22, 2022, the FDA released reports from its three inspections of the Sturgis facility conducted from 2019 through 2022. Those reports indicated that (a) Abbott failed to establish process controls “designed to ensure that infant formula does not become adulterated due to the presence of microorganisms in the formula or in the processing environment” and (b) Abbott failed to “ensure that all surfaces that contacted infant formula were maintained to protect infant formula from being contaminated by any source.” On the news of these damaging inspection reports, the price of Abbott stock declined \$4.97 per share, or 4%.

As the FDA investigation continued, a redacted copy of a whistleblower complaint sent to the FDA in October 2021 was made public on April 22, 2022. Among other things, the whistleblower complaint revealed that the issues disclosed in February and March 2022 were actually known to Abbott’s management far earlier. Upon release of the whistleblower complaint, the price of Abbott stock declined \$4.51 per share, or 3.8%. Then, on June 8, 2022, investors learned that, contrary to the Company’s repeated denials, Abbott was aware of the whistleblower’s formal allegations in early 2021, when it was reported that the FDA whistleblower had filed a complaint in February 2021 with the U.S. Labor Department’s Occupational Safety & Health Administration (“OSHA”), and that OSHA delivered that complaint to Abbott and the FDA during the same month. In response, the price of Abbott stock declined \$4.17 per share, or 3.5%.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than October 31, 2022, which is the first business day on which the U.S. District Court for the Northern District of Illinois is open that is 60 days after the publication date of August 31, 2022. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

About BLB&G

BLB&G is widely recognized worldwide as a leading law firm advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation. Since its founding in 1983, BLB&G has built an international reputation for excellence and integrity and pioneered the use of the litigation process to achieve precedent-setting governance reforms. Unique among its peers, BLB&G has obtained several of the largest and most significant securities recoveries in history, recovering over \$37 billion on behalf of defrauded investors. More information about the firm can be found online at www.blbglaw.com.

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