JUDGE SCHEINDLIN

06 CV 14199

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNIFORMED SANITATIONMEN'S ASSOCIATION LOCAL 831, IBT on behalf of itself and all others similarly situated, Plaintiff, v. PFIZER, INC., HENRY A. McKINNELL, JEFFREY B. KINDLER, ALAN G. LEVIN, and JOHN LaMATTINA, Defendants.	**CLASS ACTION COMPLAINT** JURY TRIAL DEMANDED

Plaintiff Uniformed Sanitationmen's Association Local 831, IBT ("Plaintiff"), individually and on behalf of all other persons similarly situated, by its undersigned attorneys, for its complaint against defendants, alleges the following based upon personal knowledge as to itself and its own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through its attorneys, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Pfizer, Inc. ("Pfizer" or the "Company"), securities analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that further substantial evidentiary matter exists for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal class action on behalf of persons who purchased or otherwise acquired Pfizer securities between July 20, 2006 and December 2, 2006, inclusive (the "Class

Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. As discussed in more detail below, Defendants knowingly and/or recklessly issued, or caused to be issued, false and misleading statements during the Class Period to artificially inflate the value of Pfizer stock.

3. Beginning in July 2006, the defendants repeatedly touted the safety and effectiveness of a newly-developed drug, "torcetrapib," that, in combination with Pfizer's cholesterol-reducing drug Lipitor, purportedly would increase a patient's "good" cholesterol, or HDL. However, what defendants knew, but unbeknownst to Pfizer shareholders, the product at that time was performing much worse than touted.

4. Shockingly, on December 2, 2006, a mere two days after the Company expressed optimism about prospects for torcetrapib, Pfizer suddenly announced that it was suspending development of torcetrapib after clinical testing found that 82 patients taking the torcetrpib/Lipitor combination died as compared to 51 patients taking Lipitor alone.

5. The reaction of the markets to this news was sharp and swift. On December 4, 2006, Pfizer's stock price plummeted to $24.90 per share from its prior day close of $27.86 per share on December 1, 2006, a 10.62% drop in one day, on massive volume of 289,209,504 shares, more than seven times more than the prior day's volume of 40,177,600.

JURISDICTION AND VENUE

6. The claims asserted herein arise under and pursuant to §§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 SEC [17 C.F.R. §240.10b-5].

7. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act [15 U.S.C. § 78aa] and 28 U.S.C. § 1331.

8. Venue is proper in this District pursuant to §27 of the Exchange Act [15 U.S.C. § 78aa] and 28 U.S.C. §1391(b). Many of the acts and transactions alleged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this Judicial District. Additionally, the Company maintains its executive offices in this Judicial District.

9. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

10. Plaintiff Uniformed Sanitationmen's Association Local 831, IBT, as set forth in the accompanying certification incorporated by reference herein, purchased the publicly traded securities of Pfizer securities in an open and efficient market at artificially inflated prices during the Class Period and has been damaged thereby.

11. Defendant Pfizer is incorporated in Delaware and maintains its executive offices at 235 East 42nd Street, New York, NY, 10017. The Company is a research-based global pharmaceutical company. Pfizer discovers, develops, manufactures and markets leading prescription medicines for humans and animals as well as consumer healthcare products. As of October 31, 2006, there were 7,210,444,662 shares of Pfizer common stock outstanding. Its shares are traded on the New York Stock Exchange ("NYSE"), an open and efficient market.

12. Defendant Henry A. McKinnell ("McKinnell"), was, at all relevant times,

Chairman of Pfizer's Board of Directors during the Class Period, and Pfizer's Chief Executive Officer ("CEO") until July 28, 2006.

13. Defendant Jeffrey B. Kindler ("Kindler") has served as Pfizer's CEO since Pfizer's Board of Directors named him to that position on July 28, 2006.

14. Defendant Alan G. Levin ("Levin"), was, at all relevant times, Pfizer's Chief Financial Officer.

15. Defendant John LaMattina ("LaMattina") was, at all relevant times, President of Pfizer Global Research & Development.

16. Defendants McKinnell, Kindler, Levin and LaMattina are collectively referred to hereinafter as the "Individual Defendants."

17. During the Class Period, each of the Individual Defendants, as a senior executive officer and/or director of Pfizer, was privy to non-public information concerning its business, finances, products, markets and present and future business prospects via access to internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly touted torcetrapib and disregarded the fact that adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

18. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and/or directors, were "controlling persons" within the meaning of §20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the

unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of Pfizer's business.

19. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

20. As senior executive officers and/or directors and as controlling persons of a publicly traded company whose common stock was, and is, registered with the SEC pursuant to the Exchange Act, and was, and is, traded on the NYSE and governed by the federal securities laws, the Individual Defendants had a duty to disseminate promptly accurate and truthful information with respect to Pfizer's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings and present and future business prospects, to correct any previously issued statements that had become materially misleading or untrue, so that the market price of Pfizer's securities would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

21. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Pfizer publicly traded securities by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Pfizer's business,

operations and management and the intrinsic value of Pfizer securities; and (ii) caused Plaintiff and members of the Class to purchase Pfizer publicly traded securities at artificially inflated prices.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

22. Plaintiff brings 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 publicly-traded securities of Pfizer between July 20, 2006 and December 2, 2006, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, 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.

23. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Pfizer stock was actively traded on the NYSE. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Pfizer 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.

24. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal laws complained of herein.

25. Plaintiff will fairly and adequately protect the interests of the members of the

Class and has retained counsel competent and experienced in class and securities litigation.

26. 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 the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business and operations of Pfizer;

(c) whether the prices of Pfizer's publicly traded securities were artificially inflated during the Class Period; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

27. 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

Cholesterol and Heart Disease

28. Heart disease is caused by narrowing of the coronary arteries that feed the heart. Like any muscle, the heart needs a constant supply of oxygen and nutrients, which are carried to

it by the blood in the coronary arteries. When the coronary arteries become narrowed or clogged by cholesterol and fat deposits -- a process called atherosclerosis -- and cannot supply enough blood to the heart, the result is coronary heart disease ("CHD"). If not enough oxygen-carrying blood reaches the heart, one may experience chest pain called angina. If the blood supply to a portion of the heart is completely cut off by total blockage of a coronary artery, the result is a heart attack. This is usually due to a sudden closure from a blood clot forming on top of a previous narrowing.

29. Cholesterol is a waxy, fat-like substance that occurs naturally in all parts of the body and that your body needs to function normally. Most cholesterol is produced in the liver, and is carried in the bloodstream to the body's cells by special proteins called lipoproteins. The two major lipoproteins are low-density lipoprotein ("LDL") and high-density lipoprotein ("HDL"). The body uses cholesterol to produce many hormones, vitamin D, and the bile acids that help to digest fat. The body only needs a small amount of cholesterol in the blood to meet these needs. If there is too much cholesterol in the bloodstream, the excess is deposited in arteries, including the coronary arteries, where it contributes to the narrowing and blockages that cause the signs and symptoms of heart disease.

30. Studies have established that high blood cholesterol is a risk factor for CHD. While higher cholesterol levels increase the risk of CHD, CHD is uncommon at total cholesterol levels below 150 milligrams per deciliter (mg/dL). Further, studies have shown that lowering total and LDL ("bad") cholesterol levels significantly reduces the risk of CHD. LDL deposits cholesterol in the artery walls, causing the formation of a hard, thick cholesterol plaque. HDL tends to do the opposite: it also carries cholesterol in the blood stream, but acts to remove excess cholesterol.

31. In the continuing efforts to treat CHD, one strategy is to lower overall cholesterol and LDL through the use of drugs called statins, which help to remove LDL cholesterol from the blood. A series of trials of cholesterol lowering using statin drugs have demonstrated conclusively that lowering total cholesterol and LDL-cholesterol reduces the chance of having a heart attack, needing bypass surgery or angioplasty, and dying of CHD-related causes

Torcetrapib

32. Pfizer has developed statins for treatment of high cholesterol, the most commonly used of which is Lipitor, which lowers overall cholesterol.

33. Torcetrapib, according to Pfizer, works by blocking CETP (cholesterol ester transfer protein), a protein that regulates cholesterol and is responsible for transferring cholesterol from its "good" HDL carrier to LDL, the "bad" carrier of cholesterol. Scientists believe that CETP inhibition raises HDL levels which results in cholesterol removal from the artery walls. Pfizer represented that torcetrapib also lowers LDL cholesterol. In 1999, Pfizer gives the first dose of torcetrapib to patients. In 2000, Phase II trials of torcetrapib began.

34. In 2003, Pfizer began Phase III trials of torcetrapib.

35. On April 8, 2004, a study of 19 patients published in the New England Journal of Medicine showed that torcetrapib dramatically increased HDL (good cholesterol) and also provided an additional benefit to lowering bad cholesterol when combined with the Company's Lipitor.

MATERIALLY FALSE AND MISLEADING STATEMENTS

36. On July 20, 2006, Pfizer Inc. issued a press release in connection with its financial results for the second quarter ended June 30, 2006. In that press release, the Company stated that it expects to file a New Drug Application for torcetrapib with the Food and Drug Administration

in 2007 and made the following statement:

> Work continues on the $800 million clinical development program for torcetrapib/atorvastatin. We anticipate completion of three ongoing imaging trials by the end of this year. Assuming that we see the expected improvements over the comparative agent -- Lipitor -- in these imaging studies, we will file the torcetrapib/atorvastatin NDA in 2007. The clinical program also includes a comprehensive array of lipid-effect studies to better understand the CETP mechanism and its impact on HDL-cholesterol function, and a traditional morbidity and mortality study

37. Further, on July 20, 2006, the Company held an analyst conference at which it addressed questions concerning torcetrapib. In response to an analyst's question regarding torcetrapib's "expected improvements" over Lipitor, McKinnell stated that the Company expects the development of torectrapib to be "important" and that the torcetrabiop/Lipitor combination would show improved results over Lipitor alone:

> STEVE SCALA, ANALYST, COWEN & CO.: Two topics,please. First, regarding torcetrapib, the release states, "assuming that we see expected improvements over the comparative agent." I'm not sure that Pfizer has said what is the expected improvement on both IVUS and IMT and, relatedly, what the FDA hurdle is for both of those. So I'm wondering if you could enlighten us on that. . . .
>
> HANK MCKINNELL: I will save John LaMattina his standard speech here. On torcetrapib/atorvastatin, we have not said -- in fact, we do not have expectations. ***We think it's going to be important.*** We have not said exactly what the number is, nor does the FDA know that that number would be to justify approval. It's a more complicated world than that. ***So our guidance on torcetrapib/atorvastatin is that we expect improvement.*** We have not quantified that, nor has the FDA quantified that.

(Emphasis supplied).

38. On October 19, 2006, Pfizer issued a press release in connection with its third-quarter results. The Company announced that the American Heart Association had accepted for presentation at its annual meeting in November 2006 a subset of the torcetrapib/atorvastatin program's study results, touting that the drug met its "efficacy results . . . versus Lipitor":

> The American Heart Association has accepted for presentation at its annual meeting in November 2006 the torcetrapib/atorvastatin program's study results in patients with heterozygous familial hypercholesterolemia. In this relatively uncommon condition, which is found in one of every 500 people in the general population and is characterized by high LDL-cholesterol levels, the study primarily investigated the drug's lipid efficacy and safety in comparison to matching doses of Lipitor in 437 patients who were treated for 24 weeks. The study met its primary efficacy objectives (higher HDL cholesterol and lower LDL cholesterol) versus Lipitor. We expect to present the results of the intravascular ultrasound (IVUS) and carotid intima-media thickness (IMT) imaging studies at the American College of Cardiology meeting in March 2007.

39. On October 19, 2006, Pfizer held a conference call in connection with the company's third-quarter results. During the course of the call, an analyst from Merrill Lynch asked about the safety of torcetrabip. LaMattina told analysts that current data "has been very encouraging, and there's no real news on the safety front. . . [there were] "no unexpected results either on blood pressure or on any unusual side effect along the way." When analysts pressed him further about increases in blood pressure as a side-effect, he said the blood pressure increase had been consistently in the two- to three-millimeter range.

40. At the same analyst conference, Kindler responded to questions about torcetrapib by touting it as the start of a "franchise" of CETP-blocking drugs:

> JEFF KINDLER: Regarding torcetrapib, let me just make a comment, and then I will turn it over to John. We're obviously very excited about the possibility of torcetrapib, but I think what's really important to understand is that we think of this as CETP franchise, and we do have backup compounds and you will hear a lot more about that at the November meeting. But I think the way we need to be thinking about this, this is a franchise. We believe that this mechanism of action makes a lot of sense and we're investing in it, and obviously others seem to think so as well. And so, that's that I think the better way to look at the whole question, but I will let John elaborate.
>
> JOHN LAMATTINA: You have answered -- you've taken the words out of my mouth.

41. On October 31, 2006, Pfizer, eager to tout the new drug, issued a press release stating that a preliminary analysis of the clinical data on torcetrapib were "very positive" and downplaying the impact of the increase in systolic pressure as a result of the drug:

> NEW YORK, Oct. 31 /PRNewswire-FirstCall/ -- Pfizer Inc today provided an update on the preliminary results of its torcetrapib/atorvastatin clinical trials in connection with the release of an American Heart Association abstract of a Phase 3 study in patients with heterozygous familial hypercholesterolemia (HeFH) that shows the drug significantly raising 'good' (HDL) cholesterol (56 percent) and additionally lowering 'bad' (LDL) cholesterol (27 percent) versus patients taking atorvastatin alone.
>
> The HeFH study also showed patients in the torcetrapib/atorvastatin group experienced an average increase in systolic blood pressure of about two millimeters versus patients taking atorvastatin alone. The HeFH study, in patients with an increased risk of heart disease, will be presented at the American Heart Association Annual Scientific Sessions on November 15.
>
> "We are pleased with the results of the HeFH study, and ***our overall lipid results from all the trials completed are very positive***," said Dr. Joseph Feczko, Pfizer's chief medical officer. "***They generally show torcetrapib/atorvastatin significantly increasing 'good' cholesterol by 55 to 60 percent and additionally lowering 'bad' cholesterol by 10 to 15 percent over atorvastatin alone (leading to a combined reduction in LDL of 50 to 60 percent), which supports our fundamental premise: this innovative medicine really can 'do both' and manage total cholesterol successfully.***
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> "Our overall Phase 3 results to date, which are incomplete and must be rigorously analyzed when all the lipid and imaging trials are finished, also show an average increase in systolic blood pressure of approximately one millimeter of mercury above the two-to-three millimeter range that was observed in Phase 2 studies, ***which we believe will not alter the favorable clinical profile of torcetrapib/atorvastatin in the treatment of cardiovascular disease.***
>
> "We would like to underscore that our studies are far from complete, and the early results cover less than 25 percent of all the patients in the entire clinical program. With a new abstract being posted today we want to ensure that these results are put in the appropriate perspective. No final conclusions on the efficacy and safety of torcetrapib/atorvastatin can be drawn until we complete the lipid and imaging studies and do the accompanying statistical analysis. The torcetrapib/atorvastatin trials completed to date vary in duration and size, and preliminary data at this stage may not represent the

final results when Phase 3 is completed."

The next release of clinical trial results will occur in March at the American College of Cardiology meetings, when the results of three vascular imaging studies will be released.

42. However, Pfizer's release of this information violated the American Heart Association's ("AHA") policies against discussing the results of studies ahead of their presentation. An AHA spokeswoman said, "Pfizer released the information early, and we need to uphold our policies." The Company responded that Pfizer would abide by the AHA's decision and that Company scientists would present the data instead during a review of Pfizer's research and development pipeline on Nov. 30, 2006.

43. In a November 30, 2006 press release, the Company touted torcetapib as a product "that has the potential to change the face of cardiovascular medicine" that Pfizer expects to have "unparalleled efficacy":

Commenting on torcetrapib/atorvastatin (T/A), Dr. LaMattina said, "We are first-in-class and we intend to remain best-in-class in a category that has the potential to change the face of cardiovascular medicine. T/A raises HDL and lowers LDL. We believe that the net benefits of the drug -- characterized by significant HDL elevation and LDL lowering vs. the small elevation in blood pressure -- will greatly benefit patients with CV risk.

"The development of T/A has required tremendous innovation on our part from the earliest stages of discovery through one of the most cutting-edge development programs ever carried out anywhere. At the end of this comprehensive program, we expect to have a medicine with unparalleled efficacy in raising HDL, lowering LDL and with an anti-atherosclerosis indication.

"We will learn of the top-line results of the three pivotal imaging trials during the first quarter of 2007. During this same period, we will also receive the results of some additional Phase III lipid studies. To obtain a reliable picture of the overall safety and efficacy profile of T/A, the results of all these studies will need to be analyzed and reviewed together, and this will happen in the context of the American College of Cardiology Meeting in March, 2007."

44. Also on November 30, 2006, Pfizer held a meeting with analysts to review the Company's pipeline. At this analyst meeting, management further affirmed confidence in torcetrapib and affirmed its plan to seek FDA approval in the second half of 2007. Further, during the meeting, LaMattina said, "We believe this is the most important new development in cardiovascular medicine in years."

45. The statements set forth above in paragraphs 36-41 and 43-44 were materially false and misleading in that they omitted to disclose that far from being efficacious, many more patients died taking torcetrapib than did those taking Lipitor alone and, further, patients taking torcetrapib showed an increase in angina, congestive heart failure and procedures to clear clogged arteries.

The Truth Begins to Emerge: The Failure of Torcetrapib

46. A mere two days after further touting torcetrapib, on December 2, 2006 Pfizer announced that it had halted development of torcetrapib after more patients than expected died during a large clinical test:

> NEW YORK, Dec. 2 /PRNewswire-FirstCall/ -- Pfizer Inc said that in the interests of patient safety it is stopping all torcetrapib clinical trials and that it has informed the Food and Drug Administration. The Company is in the process of notifying all clinical investigators in the program as well as other regulatory authorities.
>
> The Company was informed today that the independent Data Safety Monitoring Board (DSMB) monitoring the ILLUMINATE morbidity and mortality study for torcetrapib recommended terminating the study because of an imbalance of mortality and cardiovascular events.
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> The Company has terminated ILLUMINATE and is in the process of asking all clinical investigators conducting trials in this development program to inform patient participants to stop taking the study medication immediately. The Company has also ended the development program for this compound.
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> Dr. Philip Barter, Director of the Heart Research Institute in Australia and Chairman of the Steering Committee overseeing the ILLUMINATE study,

> said, "Based on all the evidence we have seen regarding torcetrapib and in light of prior study results, we were very surprised by the information received from the DSMB, the only body with access to the unblinded safety data. We believed that the study was coming along as expected, and this new information was totally unexpected and disappointing, given the potential benefits of this drug."
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> Pfizer's Chief Executive Officer Jeffrey B. Kindler said, "While the DSMB information we received today was both surprising and disappointing, our focus is on the best interests of patients and making sure all this information is communicated to appropriate medical and regulatory authorities as quickly as possible.

47. In fact, 82 patients taking the combined torcetrapib/Lipitor drug died during trials as opposed to only 51 taking Lipitor alone. Moreover, patients taking torcetrapib also showed an increase in angina, congestive heart failure and procedures to clear clogged arteries.

48. Following this announcement of previous undisclosed information, shares of Pfizer common stock declined by $2.96 per share (or almost 11%) from $27.86 per share on December 1, 2006, to close at $24.90 per share on December 4, 2006, on extraordinarily heavy trading volume of 289,209,504 – over seven times the previous day's volume.

49. The markets for Pfizer's securities were open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Pfizer's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Pfizer securities relying upon the integrity of the market price of Pfizer's securities and market information relating to Pfizer, and have been damaged thereby.

50. During the Class Period, defendants materially misled the investing public, thereby inflating the prices of Pfizer's securities, 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 material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

51. 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 plaintiff and 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 Pfizer's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Pfizer and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

ADDITIONAL SCIENTER ALLEGATIONS

52. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Pfizer, their control over, and/or receipt and/or modification of Pfizer's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information

concerning Pfizer, participated in the fraudulent scheme alleged herein.

LOSS CAUSATION/ECONOMIC LOSS

53. During the Class Period, as detailed herein, defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of Pfizer's securities and operated as a fraud or deceit on Class Period purchasers of Pfizer's securities by failing to disclose the truth about torcetrapib. When the full impact of defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the prices of Pfizer's securities fell precipitously as the prior artificial inflation came out. As a result of their purchases of Pfizer's securities during the Class Period, plaintiff and the other Class members suffered economic loss, *i.e.*, damages under the federal securities laws.

54. By failing to disclose the truth about torcetrapib, Defendants presented a misleading picture of Pfizer's operations and financial performance. Thus, instead of disclosing during the Class Period the truth about Pfizer's operations and financial performance, Defendants caused Pfizer to conceal the truth.

55. Defendants' false and misleading statements had the intended effect and caused Pfizer's common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as $28.59 per share on October 3, 2006.

56. As a direct result of defendants' disclosures on December 2, 2006, Pfizer's common stock price fell precipitously. These drops removed the inflation from the price of Pfizer's securities, causing real economic loss to investors who had purchased the Company's securities during the Class Period.

57. The approximate 11% decline in the price of Pfizer's common stock after these disclosures came to light was a direct result of the nature and extent of defendants' fraud finally

being revealed to investors and the market. The timing and magnitude of Pfizer's common stock price declines negate any inference that the loss suffered by plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to the defendants' fraudulent conduct. The economic loss, *i.e.*, damages, suffered by plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the prices of Pfizer's securities and the subsequent significant decline in the value of Pfizer's securities when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET DOCTRINE

58. At all relevant times, the market for Pfizer's securities was an efficient market for the following reasons, among others:

(a) Pfizer's stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

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

(c) Pfizer 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) Pfizer 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.

59. As a result of the foregoing, the markets for Pfizer's securities promptly digested current information regarding Pfizer from all publicly available sources and reflected such information in the prices of the securities. Under these circumstances, all purchasers of Pfizer's securities during the Class Period suffered similar injury through their purchase of Pfizer's securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

60. 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 Pfizer who knew that those statements were false when made.

COUNT I

Violation Of Section 10(b) Of The Exchange Act And Rule 10b-5 Promulgated Thereunder Against All Defendants

61. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

62. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public regarding Pfizer's business, operations, management and the intrinsic value of Pfizer securities; and (ii) cause plaintiff and other members of the Class to purchase Pfizer's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

63. 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 Pfizer's 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.

64. 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 Pfizer as specified herein.

65. 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 Pfizer'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 Pfizer 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 Pfizer's securities during the Class Period.

66. Each of 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 and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

67. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Pfizer's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's business,

operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

68. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market prices of Pfizer's securities were artificially inflated during the Class Period. In ignorance of the fact that market prices of Pfizer'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 recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, plaintiff and the other members of the Class acquired Pfizer securities during the Class Period at artificially high prices and were damaged thereby.

69. At the time of said misrepresentations and omissions, plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had plaintiff and the other members of the Class and the marketplace known the truth regarding Pfizer's financial results, which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their Pfizer 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.

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

71. As a direct and proximate result of defendants' wrongful conduct, plaintiff and

the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

COUNT II

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

72. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

73. The Individual Defendants acted as controlling persons of Pfizer 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 false financial 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 plaintiff 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 plaintiff 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.

74. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is 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.

75. As set forth above, Pfizer 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 positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: New York, New York
December 6, 2006

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