

BLB&G Files Securities Class Action Against Medtronic on Behalf of Minneapolis Firefighters

December 10, 2008

BLB&G filed a class action lawsuit in the United States District Court for the District of Minnesota on behalf of its client Minneapolis Firefighters' Relief Association ("Minneapolis Firefighters") and similarly situated investors in the securities of Medtronic, Inc. ("Medtronic" or the "Company") during the period from November 19, 2007 through November 17, 2008 (the "Class Period").

The Complaint alleges that during the Class Period, Medtronic, its Chief Executive Officer William A. Hawkins, III ("Hawkins") and Chief Financial Officer Gary Elliss ("Elliss") violated the federal securities laws by issuing false and misleading press releases, financial statements, filings with the Securities and Exchange Commission and statements during investor conference calls. The Complaint alleges that, throughout the Class Period, Medtronic—a medical device manufacturer—made repeated false statements to the investing public concerning one of its flagship products, the INFUSE Bone Graft ("INFUSE"), representing to investors that it was a valuable and reliable source of revenues for the Company.

Specifically, Defendants' statements and their portrayal of INFUSE, a surgically-implanted medical device containing a genetically engineered protein designed to stimulate bone growth, were materially false and misleading because Defendants concealed and failed to disclose material facts known to or recklessly ignored by them about INFUSE that were necessary to make their otherwise positive statements about the product and the Company's financial condition accurate, truthful, and not misleading to investors. In particular, Defendants did not disclose the extent to which revenues from sales of INFUSE were dependent on applications of the product not approved by the United States Food and Drug Administration ("FDA"), or so-called "off-label" uses; did not disclose that a significant and increasing number of patients subjected to such off-label uses of INFUSE were suffering severe medical complications; and hid the fact that the extensive off-label usage of INFUSE was the result of an unlawful campaign by Defendants to market and encourage off-label use of the product.

Defendants' false and misleading statements concerning INFUSE and the Company's financial condition artificially inflated the price of the Company's publicly traded securities during the Class Period. Revelations concerning Defendants' false and misleading statements during the Class Period caused significant losses to investors as the prices of the Company's securities experienced severe declines as a direct result of these revelations, with the Company's stock price closing the day after the end of the Class Period at \$31.20 per share, down from a Class Period high of \$55.65 per share.

The Complaint alleges that the Defendants violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder and that Defendants Hawkins and Elliss violated Section 20(a) of the Exchange Act.

Click [here](#) to view the Press Release.