

Valeant's Latest Legal Threat Could Be Especially Costly

Valeant Pharmaceuticals International Inc. has been selling assets, paying down debt and riding a recovery of its shares from their lowest point last spring. But one big uncertainty – its potential legal costs – just got bigger, **reports Bloomberg**.

Mutual fund company Lord Abbett & Co. filed a securities fraud lawsuit against Valeant, alleging that it bought shares in the drug giant at an artificially high price because of misinformation provided by Valeant, write **Greg Farrell** and **Neil Weinberg**. The suit, alleging violations of New Jersey's racketeer influenced and corrupt organizations (RICO) law, represents a new and potentially costly legal attack on Valeant, which is already facing lawsuits over alleged manipulation of drug prices.

"If other investors were to follow Lord Abbett's lead, Valeant's legal exposure could balloon," according to Bloomberg. "In its filings with the Securities and Exchange Commission, Valeant says that the class action suits are without merit and that it intends to fight them."

Read the Bloomberg article.

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