

# ICON PLC: BFA Law has Filed an Expanded Securities Fraud Class Action Lawsuit Against ICON plc (NASDAQ:ICLR) - ACCESS Newswire

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**NEW YORK CITY, NY / ACCESS Newswire / April 2, 2025 /** Bleichmar Fonti & Auld LLP ("BFA") announces that it has filed a class action lawsuit for violations of the federal securities laws against ICON plc ("ICON" or the "Company") and certain of the Company's senior executives. The case is pending in the U.S. District Court for the Eastern District of New York and is captioned *Police and Fire Retirement System of the City of Detroit v. ICON plc*, No. 25-cv-01807 ("PFRSD").

PFRSD is related to the class action an investor previously filed against ICON: *Shing v. ICON plc*, No. 25-cv-00763 (E.D.N.Y.) ("Shing"), which is the first-filed securities class action in this matter. As stated in the notice published on February 10, 2025 in connection with the filing of Shing, and pursuant to the Private Securities Litigation Reform Act of 1995 which sets the deadline to seek Lead Plaintiff status 60 days after the notice of the first-filed action is published, investors wishing to serve as Lead Plaintiff must file a motion for appointment as Lead Plaintiff by no later than Friday, April 11, 2025. The filing of PFRSD does not alter that deadline.

PFRSD asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of all persons and entities who purchased or acquired ICON ordinary shares, between July 27, 2023 and January 13, 2025 (the "Class Period"). **This is a broader Class Period than asserted in Shing.** Like Shing, PFRSD alleges that defendants misrepresented that ICON was benefitting from a significant industry-wide downturn during which the Company's current and prospective customers sought to cut costs.

## What is the Lawsuit About?

ICON provides development and commercialization services, including conducting clinical trials, to companies developing new drugs and medical devices.

Throughout the Class Period, Defendants assured investors that ICON was "well positioned" to win business during the downturn due to the "depth and breadth of our capabilities," that the Company's "competitive position has never been better in being able to address our customer needs," that "we're taking market share" due to "our strong operational delivery," and that ICON was seeing "healthy," "stable," and "strong" demand, while touting a purportedly high volume of RFPs for clinical trial work from prospective customers as sign that demand was strong. Defendants also asserted that its largest customer Pfizer's efforts to cut \$4 billion in annual costs presented an "opportunity" for ICON as Pfizer was "happy to further consolidate their spending" with the Company.

In truth, rather than benefiting from the industry downturn, ICON experienced a significant decline in demand. Additionally, its two largest customers, including Pfizer, had warned ICON for years that they intended to diversify their business away from the Company. Moreover, the "RFP flow" that Defendants touted as a sign of strong demand did not indicate anything of the sort. Instead, ICON executives knew that a significant portion of those RFPs only sought to gauge prevailing industry prices for clinical trial services and were never intended to lead to actual clinical trial work.

Investors began to learn the truth on October 23, 2024, when ICON announced its 3Q 24 financial results, revealing a surprise "revenue shortfall" of \$100 million for the quarter, and reducing full-year fiscal 2024 revenue guidance by \$220 million at the midpoint. Defendants blamed the revenue shortfall and reduced guidance on "material headwinds from two large customers undergoing budget cuts and changes in their development model" and "ongoing cautiousness from biotech customers resulting in award and study delays."

Next, on October 25, 2024, Truist Securities ("Truist") published a report summarizing a conversation Truist analysts had with ICON management. According to Truist, Defendants knew for years that its two largest customers intended to diversify business away from ICON and that contracted clinical work from the two customers was scheduled to end in the summer of 2024. ICON management described the situation to Truist as "not a new development," and said that it "did not come as a surprise" that the customers moved business to ICON's competitors.

On this news, the price of ICON ordinary shares declined \$60.29 per share, or more than 21%, from \$280.76 per share on October 23, 2024, to \$220.47 per share on October 25, 2024.

Then, on November 21, 2024, ICON's CEO admitted that "around 20% to 30%" of the RFPs the Company responded to and touted as a sign of strong demand were only issued so that the companies issuing the RFPs could assess prevailing market prices for clinical trial services and would never lead to actual clinical trial work for ICON.

Finally, on January 14, 2025, ICON issued disappointing financial guidance for 2025 that was below analysts' expectations due to "trial activity [that] has been impacted by cautious spending from biopharma customers" and "a headwind from our top two customers." Defendants further revealed that 2025 would be a "transition period" for ICON. On this news, the price of ICON ordinary shares declined \$17.75 per share, or 8.1%, from \$217.99 per share on January 13, 2025, to \$200.24 per share on January 14, 2025.

#### **About Bleichmar Fonti & Auld LLP**

Bleichmar Fonti & Auld LLP is a leading international law firm representing plaintiffs in securities class actions and shareholder litigation. It was named among the Top 5 plaintiff law firms by ISS SCAS in 2023 and its attorneys have been named Titans of the Plaintiffs' Bar by Law360 and SuperLawyers by Thompson Reuters. Among its recent notable successes, BFA recovered over \$900 million in value from Tesla, Inc.'s Board of Directors, as well as \$420 million from Teva Pharmaceutical Ind. Ltd.

For more information about BFA please visit <https://www.bfalaw.com>.

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