

ACORDA THERAPEUTICS INC
Form DEF 14A
April 18, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ACORDA THERAPEUTICS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(3) Filing Party:

(4) Date Filed:

ACORDA THERAPEUTICS, INC.
15 Skyline Drive, Hawthorne, New York 10532

April 18, 2008

Dear Stockholder:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of Acorda Therapeutics, Inc., which will be held at the Westchester Marriott, 670 White Plains Road, Tarrytown, New York 10591, commencing at 2:00 p.m., local time, on May 21, 2008.

The following pages contain the formal notice of the 2008 Annual Meeting and the related Proxy Statement. Acorda Therapeutics' Annual Report for the fiscal year ended December 31, 2007 is enclosed with this proxy material. The Annual Report is not to be regarded as proxy solicitation material.

Matters to be considered and voted on at the 2008 Annual Meeting are set forth in the Proxy Statement. You are encouraged to carefully review the Proxy Statement and attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. If you cannot attend the Annual Meeting in person, please be sure to sign, date and return the enclosed proxy card in the accompanying reply envelope so that your shares will be represented at the Annual Meeting. If you attend the Annual Meeting and wish to change your proxy vote, you may do so by voting in person at the Annual Meeting.

We look forward to meeting you on May 21, 2008 and discussing with you the business of our company.

Sincerely,

Ron Cohen, M.D.
President and Chief Executive Officer

ACORDA THERAPEUTICS, INC.

15 Skyline Drive, Hawthorne, New York 10532

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date: 2:00 p.m., local time, on May 21, 2008

Place: Westchester Marriott 670 White Plains Road, Tarrytown, NY 10591

- Items of Business:**
- (1) To elect three Class III directors for a term expiring on the date of our 2011 Annual Meeting of Stockholders, or at such time as their successors have been duly elected and qualified.
 - (2) To ratify the appointment of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2008.
 - (3) To consider such other business as may properly come before the 2008 Annual Meeting of Stockholders (the "2008 Annual Meeting").

Adjournments and Postponements: Any action on the items of business described above may be considered at the 2008 Annual Meeting at the time and on the date specified above or at any time and date to which the 2008 Annual Meeting may be properly adjourned or postponed.

Record Date: You are entitled to vote only if you were a stockholder of Acorda Therapeutics as of the close of business on April 7, 2008.

Meeting Admission: You are entitled to attend the 2008 Annual Meeting only if you were an Acorda Therapeutics stockholder as of the close of business on the record date or hold a valid proxy for the 2008 Annual Meeting. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership as of the record date, such as your most recent account statement dated prior to April 7, 2008, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If, upon request, you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2008 Annual Meeting.

Voting:

Your vote is very important. Whether or not you plan to attend the 2008 Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy card or voting instructions as soon as possible. You may submit your proxy card or voting instructions by completing, signing, dating and returning your proxy card or voting instructions card in the pre-addressed envelope provided. For specific instructions on how to vote, please refer to the "Questions and Answers" section beginning on page 1 of the Proxy Statement.

By the Order of the Board of Directors

Jane Wasman
Executive Vice President, General Counsel and
Corporate Secretary

April 18, 2008

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE 2008 ANNUAL MEETING OF STOCKHOLDERS	1
PROPOSAL ONE: ELECTION OF DIRECTORS	7
Recommendation of the Board of Directors	7
Nominees Standing for Election for the Term Expiring in 2011 - Class III Directors	8
Directors Whose Terms Expire in 2009 - Class I Directors	8
Directors Whose Terms Expire in 2010 - Class II Directors	9
Director Independence	10
Attendance at Board and Committee Meetings	10
Committees of the Board of Directors	10
Director Qualifications and Director Nomination Process	11
Stockholder Communication with the Board of Directors	13
Board and Committee Fees	13
2007 Non-Employee Director Compensation	14
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT INFORMATION CONCERNING EXECUTIVE OFFICERS	15
COMPENSATION COMMITTEE REPORT	18
COMPENSATION DISCUSSION AND ANALYSIS	19
EXECUTIVE COMPENSATION	23
2007 Summary Compensation Table	23
Stock Option Information for the Year Ended December 31, 2007	24
2007 Grants of Plan-Based Awards Table	24
Outstanding Equity Awards at December 31, 2007	25
2007 Option Exercises and Stock Vested	27
Executive Employment Agreements	27
Potential Payments Upon Termination or Change in Control	30
Other Compensation	30
Compensation Committee Interlocks and Insider Participation	31
Section 16(a) Beneficial Ownership Reporting Compliance	31
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	31
AUDIT COMMITTEE REPORT	32
PROPOSAL TWO: RATIFICATION OF INDEPENDENT AUDITORS	32
Ratification of Appointment of KPMG LLP	32
Pre-approval Policies and Procedures	33
Recommendation of the Board of Directors	33
OTHER BUSINESS	33
ADDITIONAL INFORMATION	33
Householding	33
Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders	34
Annual Report	34

**ACORDA THERAPEUTICS, INC.
PROXY STATEMENT FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON May 21, 2008
QUESTIONS AND ANSWERS ABOUT
THE PROXY MATERIALS AND THE 2008 ANNUAL MEETING OF STOCKHOLDERS**

Q: *Why am I receiving these materials?*

A: The Board of Directors (the "Board") of Acorda Therapeutics, Inc., a Delaware corporation (which may be referred to in this proxy statement as "we," "us," "our," the "Company" or "Acorda Therapeutics"), is providing these proxy materials to you in connection with our 2008 Annual Meeting of Stockholders (the "2008 Annual Meeting"), which will take place on May 21, 2008. As a stockholder on the Record Date (as defined below), you are invited to attend the 2008 Annual Meeting and are entitled and requested to vote on the items of business described in this proxy statement (the "Proxy Statement"). This Proxy Statement and accompanying proxy card or voting instruction card are being mailed on or about April 18, 2008 to all stockholders entitled to vote at the 2008 Annual Meeting.

Q: *What information is contained in this Proxy Statement?*

A: The information included in this Proxy Statement relates to the proposals to be voted on at the 2008 Annual Meeting, the voting process, the compensation of directors and the most highly paid executive officers, beneficial ownership of the Company's common stock, and certain other required information.

Q: *What items of business will be voted on at the 2008 Annual Meeting?*

A: The items of business scheduled to be voted on at the 2008 Annual Meeting are:

The election of three Class III directors for a term expiring on the date of our 2011 Annual Meeting of Stockholders, or at such time as their successors have been duly elected and qualified.

The ratification of the appointment of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2008 (the "2008 Fiscal Year").

We will also consider other business that properly comes before the 2008 Annual Meeting.

Q: *How does the Board recommend that I vote?*

A: Our Board recommends that you vote your shares "FOR" the nominees to the Board and "FOR" the ratification of the appointment of KPMG LLP as our independent auditors for the 2008 Fiscal Year.

Q: *Who is entitled to vote at the 2008 Annual Meeting?*

A: Only stockholders of record at the close of business on April 7, 2008 are entitled to vote at the 2008 Annual Meeting. We refer to this date as our "Record Date."

You may vote all shares of Acorda Therapeutics common stock you own as of the Record Date, including (1) shares that are held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner through a broker, trustee or other nominee, such as a bank.

On the Record Date, we had 32,659,012 shares of common stock issued and outstanding.

Q: *What are the voting rights of the Company's holders of common stock?*

A: Each outstanding share of the Company's common stock owned as of the Record Date will be entitled to one vote on each matter considered at the meeting.

Q: *What is the difference between holding shares as a stockholder of record and holding shares as a beneficial owner?*

A: Most of our stockholders hold their shares through a broker or other nominee rather than directly in their own name. We have summarized below some of the distinctions between being a stockholder of record and being a beneficial owner:

Stockholder of Record

If your shares are registered directly in your name, or as a joint holder, with our transfer agent, Registrar and Transfer Company, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent to you directly by Acorda Therapeutics. As a stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the 2008 Annual Meeting. We have enclosed a proxy card for you to use.

Beneficial Owner

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials, together with a voting instruction card, are being forwarded to you by your broker or other nominee. As a beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the 2008 Annual Meeting.

Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the 2008 Annual Meeting. Your broker, trustee or nominee has enclosed or has previously provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

Q: *How can I attend the 2008 Annual Meeting?*

A: You are entitled to attend the 2008 Annual Meeting only if you were a stockholder of record of our common stock as of the close of business on the Record Date or you hold a valid proxy for the 2008 Annual Meeting. You should be prepared to present photo identification for admittance. A list of stockholders eligible to vote at the 2008 Annual Meeting will be available for inspection at the 2008 Annual Meeting and for a period of ten days prior to the 2008 Annual Meeting, during regular business hours, at our principal executive office, which is located at 15 Skyline Drive, Hawthorne, New York 10532.

If you are not a stockholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership on the Record Date, such as your most recent account statement dated prior to April 7, 2008, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If, upon request, you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2008 Annual Meeting.

The 2008 Annual Meeting will begin promptly at 2:00 p.m., local time. Check-in will begin at 1:30 p.m., local time, and you should allow ample time for the check-in procedures.

Q:
How can I vote?

A:
Whether you hold shares directly as a stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the 2008 Annual Meeting.

You may vote by mail: If you are a stockholder of record of our common stock, you may submit your proxy by completing, signing and dating the enclosed proxy card and mailing it in the accompanying pre-addressed envelope. If you are a stockholder who holds shares beneficially in street name, you may vote by mail by completing, signing and dating the enclosed voting instruction card provided by your broker, trustee or nominee and mailing it in the accompanying pre-addressed envelope.

You may vote in person at the 2008 Annual Meeting: Shares held in your name as the stockholder of record may be voted in person at the 2008 Annual Meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares. Even if you plan to attend the 2008 Annual Meeting, we recommend that you also submit your proxy or voting instructions as described above so that your vote will be counted if you later decide not to attend the 2008 Annual Meeting.

Q:
How are my votes cast when I return a proxy card?

A:
When you sign the proxy card, you appoint Dr. Ron Cohen, our President and Chief Executive Officer, and Jane Wasman, our Executive Vice President, General Counsel and Corporate Secretary, as your representatives at the 2008 Annual Meeting. Either Dr. Cohen or Ms. Wasman will vote your shares at the 2008 Annual Meeting as you have instructed them on the proxy card. Dr. Cohen and Ms. Wasman are also entitled to appoint substitutes to act on their behalf.

Q:
Can I change my vote?

A:
Yes. You may change your vote at any time prior to the vote at the 2008 Annual Meeting. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation to our Corporate Secretary prior to your shares being voted, or by attending the 2008 Annual Meeting and voting in person. For your written notice of revocation to be effective, it must be received by our Corporate Secretary at our principal executive offices no later than May 20, 2008. Attendance at the 2008 Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request or if you cast a new vote. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker, trustee or nominee giving you the right to vote your shares, by attending the 2008 Annual Meeting and voting in person.

Q:
Who can help answer my questions?

A:
If you have any questions about the 2008 Annual Meeting or how to vote or revoke your proxy, you should contact our investor relations department at (914) 347-4300. You may also contact them if you need additional copies of this Proxy Statement or voting materials.

Q:
Is my vote confidential?

A:
Proxy cards, ballots and voting instructions and tabulations that identify individual stockholders will be tabulated by Registrar and Transfer Company and will be handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Acorda Therapeutics or to third parties, except as necessary to meet applicable legal requirements and to allow for the tabulation of votes and certification of the vote.

Q: *How many shares must be present or represented to conduct business at the 2008 Annual Meeting?*

A: The quorum requirement for holding the 2008 Annual Meeting and transacting business is that holders of a majority of shares of Acorda Therapeutics' common stock entitled to vote must be present in person or represented by proxy at the 2008 Annual Meeting. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

Q: *What if a quorum is not present at the 2008 Annual Meeting?*

A: If a quorum is not present or represented at the 2008 Annual Meeting, the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or if no stockholder is present, any officer entitled to preside or to act as secretary of such meeting, may adjourn the 2008 Annual Meeting until a quorum is present or represented. The time and place of the adjourned meeting will be announced at the time the adjournment is taken and no other notice will be given, unless the adjournment is for more than 30 days from the date of the original meeting or a new record date is set for the adjourned meeting.

Q: *How are votes counted?*

A: In the election of the directors, you may vote "FOR" a nominee or you may "WITHHOLD AUTHORITY" with respect to a nominee. For other items of business, you may vote "FOR," "AGAINST" or "ABSTAIN." If you "ABSTAIN," the abstention has the same effect as a vote "AGAINST." If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If you sign your proxy card or voting instruction card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board (in the case of the 2008 Annual Meeting, "FOR" the three nominees to the Board and "FOR" the ratification of the independent auditors, and in the discretion of the proxy holders on any other matters that properly come before the 2008 Annual Meeting).

Q: *What vote is required to approve each of the proposals?*

A: The affirmative vote of a plurality of the shares of common stock present in person or represented by proxy and entitled to vote at the 2008 Annual Meeting is required to elect the three nominees to the Board. In the election of the directors, the nominees receiving the highest number of "FOR" votes at the 2008 Annual Meeting will be elected. A properly executed proxy marked "WITHHOLD AUTHORITY" with respect to a nominee will not be voted with respect to that nominee, although it will be counted for purposes of determining whether there is a quorum.

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the 2008 Annual Meeting is required to ratify the appointment of KPMG LLP as our independent auditors for the 2008 Fiscal Year.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and such instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions have the same effect as votes against the matter.

Q: *What happens if a nominee is unable to stand for election?*

A: If a nominee is unable to stand for election, the Board may either reduce the number of directors to be elected or substitute a nominee. If a substitute nominee is selected, the proxy holders,

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Dr. Cohen and Ms. Wasman, will vote your shares for the substitute nominee, unless you have withheld authority.

Q:

What happens if additional matters are presented at the 2008 Annual Meeting?

A:

Other than the two items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the 2008 Annual Meeting. If you grant a proxy, the persons named as proxyholders, Dr. Cohen and Ms. Wasman, will have the discretion to vote your shares on any additional matters properly presented for a vote at the 2008 Annual Meeting.

Q:

Who will serve as inspector of elections?

A:

Registrar and Transfer Company will tabulate votes and a representative of Registrar and Transfer Company will act as inspector of elections.

Q:

What should I do if I receive more than one set of voting materials?

A:

You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q:

Who will bear the cost of soliciting votes for the 2008 Annual Meeting?

A:

Acorda Therapeutics is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees. These individuals will not receive any additional compensation for such solicitation activities. Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy materials to stockholders.

Q:

Where can I find the voting results of the 2008 Annual Meeting?

A:

We intend to announce preliminary voting results at the 2008 Annual Meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of the 2008 Fiscal Year.

Q:

What if I have questions for Acorda Therapeutics' transfer agent?

A:

Please contact our transfer agent, at the phone number or address listed below, with questions concerning stock certificates, transfers or ownership or other matters pertaining to your stock account.

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
Telephone: **908-497-2300**

Q:

What is the deadline for submitting proposals for inclusion in Acorda Therapeutics' proxy statement for the 2009 Annual Meeting of Stockholders or to nominate individuals to serve as directors?

A:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, stockholders may present proper proposals for inclusion in our proxy statement relating to, and for consideration at, the 2009 Annual Meeting of Stockholders, by submitting their proposals to us in a timely manner. To be considered at our 2009 Annual Meeting, nominations of persons for election to our Board and/or proposals for business to be conducted at the meeting must be properly submitted and received by us, in accordance with the provisions of our Amended and Restated Bylaws (the "Amended and Restated Bylaws") not less than 90 days or more than 120 days prior to May 21, 2009 and otherwise comply with the requirements of Rule 14a-8. For more information on how to submit proposals, see the section titled "Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders" at the end of this Proxy Statement. You may contact the Corporate Secretary of Acorda Therapeutics, at our principal executive office, for a copy of the relevant provisions of our Amended and Restated Bylaws regarding the requirements for making stockholder proposals and nominating director candidates.

PROPOSAL ONE: ELECTION OF DIRECTORS

Our Board currently consists of eight members and is divided into three classes. Each class holds office for a term of three years. These classes currently consist of four authorized members in Class III, whose terms expire at the 2008 Annual Meeting, and three authorized members in each of Class I and Class II, whose terms expire in 2009 and 2010, respectively. In order to provide for more balanced classes of directors, in March 2008, the Board adopted resolutions to, effective immediately prior to the 2008 Annual Meeting, (i) reduce the authorized number of directors from ten to nine, (ii) reduce the number of authorized Class III directors from four to three, and (iii) elect Barclay A. Phillips, a current Class III director, as a Class I director whose term will expire in 2009.

This year's nominees for director, Ron Cohen, Lorin J. Randall and Steven M. Rauscher, have been nominated by the Board for a term of three years expiring on the date of our 2011 Annual Meeting of Stockholders or at such time as their respective successors are duly elected and qualified. Dr. Cohen, Mr. Randall and Mr. Rauscher are currently directors of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees named above.

If any of those candidates should become unavailable for election, the shares represented by the proxies solicited for the 2008 Annual Meeting will be voted for such substitute nominee as may be determined by the Board. The Board has no reason to expect that Dr. Cohen, Mr. Randall or Mr. Rauscher will not be a candidate for director at the 2008 Annual Meeting. In voting for directors, for each share of common stock held as of the Record Date, stockholders are entitled to cast one vote in favor of the candidate, or to withhold authority from voting for the candidate. Unless a stockholder requests that voting of the proxy be withheld for the nominee for director by so directing on the proxy card, the shares represented by the accompanying proxy will be voted "FOR" the election of Dr. Cohen, Mr. Randall and Mr. Rauscher.

The election of a director requires the affirmative vote of a plurality of the shares of common stock present or represented and entitled to vote at the 2008 Annual Meeting.

Certain information concerning the nominees and those directors whose terms of office will continue following the 2008 Annual Meeting is set forth below.

Recommendation of the Board of Directors

The Board of Directors recommends that the stockholders vote for Proposal One.

The following table sets forth information as of December 31, 2007 with respect to our directors and nominees for election at the 2008 Annual Meeting.

Name	Age	Position(s)
Ron Cohen, M.D.	52	President, Chief Executive Officer, Director and Nominee
Barry Greene(1)	44	Director
Sandra Panem, Ph.D.(2),(4)	61	Director
Barclay A. Phillips(3),(4)	45	Director
Lorin J. Randall(3),(4)	64	Director and Nominee
Steven M. Rauscher(2),(4)	54	Director and Nominee
Ian Smith(3)	42	Director
Wise Young, Ph.D., M.D.(2)	58	Director

(1) Member of our Compliance Committee.

(2) Member of our Compensation Committee.

- (3) Member of our Audit Committee.
- (4) Member of our Nominations and Governance Committee ("Nominations Committee").

Nominees Standing for Election for the Term Expiring in 2011 Class III Directors

Ron Cohen, M.D., has served as our President and Chief Executive Officer since he founded Acorda in 1995. Dr. Cohen previously was a principal in the startup of Advanced Tissue Sciences, Inc., a biotechnology company engaged in the growth of human organ tissues for transplantation uses. Dr. Cohen received his B.A. degree with honors in Psychology from Princeton University, and his M.D. from the Columbia College of Physicians & Surgeons. He completed a residency in Internal Medicine at the University of Virginia Medical Center, and is Board Certified in Internal Medicine. Dr. Cohen is Chairman Emeritus of the board of the New York Biotechnology Association. He also serves as a member of the Health Care Governing Body and the Emerging Company Section of the board of the Biotechnology Industry Organization (BIO), and as a member of the Columbia-Presbyterian Health Sciences Advisory Council. Dr. Cohen is a recipient of the 2007 Ernst & Young Entrepreneur of the Year Award for the New York Metropolitan Region, and an inductee into the National Spinal Cord Injury Association's "Spinal Cord Injury Hall of Fame."

Lorin J. Randall has been a member of our Board since January 2006. Mr. Randall, a financial consultant, was Senior Vice President and Chief Financial Officer of Eximias Pharmaceutical Corporation, a development-stage drug development company, from 2004 to 2006. From 2002-2004, Mr. Randall served as Senior Vice President and Chief Financial Officer of i-STAT Corporation, a publicly-traded manufacturer of medical diagnostic devices which was acquired by Abbott Laboratories in 2004. From 1995 to 2001, Mr. Randall was Vice President and Chief Financial Officer of CFM Technologies, Inc. a publicly traded manufacturer of semiconductor manufacturing equipment. Mr. Randall previously served on the board of Quad Systems Corporation, a publicly-traded manufacturer of electronics manufacturing equipment where he served as Chairman of the Audit Committee. He currently serves on the Boards of Directors of Athersys, Inc., Opexa Therapeutics, Inc., and Tengion Inc. Mr. Randall received a B.S. in accounting from The Pennsylvania State University and an M.B.A. from Northeastern University.

Steven M. Rauscher has served on our Board since March 2005. He is President and CEO of Oscient Pharmaceuticals Corporation, a commercial stage biopharmaceutical company. He joined Oscient in 2000 having served as a member of the Board of Directors since 1993. Previously, Mr. Rauscher was CEO of AmericasDoctor, a company providing clinical research services to the pharmaceutical industry. Prior to AmericasDoctor, he held a number of leadership positions at Abbott Laboratories, including Vice President of Corporate Licensing, Vice President of Business Development, International Division and Vice President of Sales, U.S. Pharmaceuticals. Mr. Rauscher received a B.S. from Indiana University and an M.B.A. from the University of Chicago.

Directors Whose Terms Expire in 2009 Class I Directors

Barclay A. Phillips has been a member of our Board since September 2004 and is currently a Class III director. As discussed above, Mr. Phillips will be elected a Class I director immediately prior to the 2008 Annual Meeting. Mr. Phillips has been a Managing Director of Vector Fund Management, a venture capital firm focused on investments in the life sciences and healthcare industry, since 1999. From 1991 to 1999, Mr. Phillips served in various roles including Director of Private Placements and Biotechnology Analyst for INVESCO Funds Group, Inc. From 1985 to 1990, Mr. Phillips held positions in sales and trading with Paine Webber, Inc. and Shearson Lehman Hutton, Inc. Mr. Phillips currently serves on the board of directors of Micromet, Inc. Mr. Phillips received a B.A. in economics from the University of Colorado.

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Barry Greene has been a member of our Board since January 2007. Mr. Greene currently serves as President and Chief Operating Officer of Alnylam Pharmaceuticals, Inc. Mr. Greene joined Alnylam in September 2003, bringing over 15 years of experience in the healthcare industries and in consulting. Prior to Alnylam, he was General Manager of Oncology at Millennium Pharmaceuticals, Inc., where he led the company's global strategy and execution for its oncology business including strategic business direction and execution, culminating in the successful approval and launch of VELCADE (bortezomib) in mid-2003. Prior to joining Millennium in February 2001, Mr. Greene served as Executive Vice President and Chief Business Officer for Mediconconsult.com. Prior to Mediconconsult.com, Mr. Greene's past experiences included being Vice President of Marketing and Customer Services for AstraZeneca (formerly AstraMerck); Vice President Strategic Integration with responsibility for the AstraZeneca North American post-merger integration; and partner of Andersen Consulting, responsible for the pharmaceutical/biotechnology marketing and sales practice. Mr. Greene received his B.S. in Industrial Engineering from the University of Pittsburgh and serves as a Senior Scholar at Duke University, Fuqua School of Business.

Ian Smith has been a member of our Board since February 2007. Mr. Smith currently serves as Executive Vice President and Chief Financial Officer of Vertex Pharmaceuticals, Inc., a position he has held since February 2006. From November 2003 to February 2006, he was Senior Vice President and Chief Financial Officer, and from October 2001 to November 2003, he served as Vice President and Chief Financial Officer, at Vertex. From 1999 to 2001, Mr. Smith served as a partner in the Life Science and Technology Practice Group of Ernst & Young LLP. Mr. Smith initially joined Ernst & Young's U.K. firm in 1987, and then joined its Boston office in 1995. Mr. Smith currently is a member of the boards of directors of Predix Pharmaceuticals, Inc. and TolerRx Inc. Mr. Smith holds a B.A. in accounting and finance from Manchester Metropolitan University, U.K., is a member of the American Institute of Certified Public Accountants and is a Chartered Accountant of England and Wales.

Directors Whose Terms Expire 2010 Class II Directors

Sandra Panem, Ph.D., has been a member of our Board since 1998. She is currently a partner at Cross Atlantic Partners, which she joined in 2000. From 1994 to 1999, Dr. Panem was President of Vector Fund Management, the then asset management affiliate of Vector Securities International. Prior thereto, Dr. Panem served as Vice President and Portfolio Manager for the Oppenheimer Global BioTech Fund, a mutual fund that invested in public and private biotechnology companies. Previously, she was Vice President at Salomon Brothers Venture Capital, a fund focused on early and later-stage life sciences and technology investments. Dr. Panem was also a Science and Public Policy Fellow in economic studies at the Brookings Institution, and an Assistant Professor of Pathology at the University of Chicago. She received a B.S. in biochemistry and Ph.D. in microbiology from the University of Chicago. Dr. Panem currently serves on the boards of directors of Labcyte, Inc. and GenomeQuest, Inc., as well as the New York Biotechnology Association.

Wise Young, Ph.D., M.D., has been a member of our Board and of our scientific advisory board since the founding of the company in 1995. Dr. Young has been at Rutgers University since 1997, where he serves as Professor and Chair of the Department of Cell Biology and Neuroscience, Professor II and Director of the Neuroscience Center and founder of the W.M. Keck Center for Neuroscience. Dr. Young is one of the preeminent scientists in the fields of spinal cord injury and neurotrauma, SCI animal models, and the pharmacological therapy of SCI. He was the Principal Investigator for the Multicenter Animal Spinal Cord Injury Study, funded by the National Institutes of Health; is editor-in-chief of *Current Concepts in Critical Care and Trauma*; and serves on numerous editorial boards, including those of *Experimental Neurology*, *Journal of Neurotrauma*, *Brain Research and Stroke*. Dr. Young has received the Wakeman Award for Research in Neurosciences, and a Jacob Javits Neuroscience Award from the National Institute of Neurological Disorder and Stroke. He is also a member of the Scientific Advisory Council of the American Paralysis Association and of the National

Acute Spinal Cord Injury Study executive committee. Dr. Young received a B.A. in biology and chemistry from Reed College, a Ph.D. in physiology and biophysics from the University of Iowa and an M.D. from Stanford University.

Director Independence

The Board has determined that Mr. Greene, Dr. Panem, Mr. Phillips, Mr. Randall, Mr. Smith, Mr. Rauscher, and Dr. Young are "independent directors" as defined in Rule 4200(a)(15) of the National Association of Securities Dealers' listing standards (each an "Independent Director").

Attendance at Board and Committee Meetings

Our Board met 15 times during 2007, excluding committee meetings. All of the directors attended at least 75 percent of all Board meetings and meetings of the committees on which they serve, except Wise Young, who attended 60 percent of Board meetings and 43 percent of Compensation Committee meetings. Although we have no formal policy with respect to director attendance at our annual meetings of stockholders, we encourage our directors to attend.

Committees of the Board of Directors

The Board has established an Audit Committee, a Compensation Committee, a Nominations Committee and a Compliance Committee, each of which is comprised solely of Independent Directors. The following lists the members of each committee as well as the primary responsibilities of each committee.

Audit Committee and Audit Committee Financial Experts

Our Audit Committee currently consists of three members: Mr. Randall (chairperson), Mr. Phillips and Mr. Smith. Our Board has determined that Mr. Randall and Mr. Smith each qualify as an "audit committee financial expert" as that term is defined in Item 407(d) of Regulation S-K of the Securities Act.

Our Audit Committee is responsible for:

approving and retaining the independent auditors to conduct the annual audit of our books and records;

reviewing the proposed scope and results of the audit;

reviewing and pre-approving the independent auditors' audit and non-audit services rendered;

approving the audit fees to be paid;

reviewing accounting and financial controls with the independent auditors and our financial and accounting staff;

reviewing and approving transactions between us and our directors, officers and affiliates;

recognizing and preventing prohibited non-audit services;

establishing procedures for complaints received by us regarding accounting matters; and

overseeing internal audit functions when implemented.

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All audit services and non-audit services to be provided to us by our independent auditor must be approved in advance by our Audit Committee. KPMG LLP currently serves as our independent auditor. Our Board has adopted a written charter for the Audit Committee which is available on our

website, www.acorda.com under "Corporate Governance Committee Charters." The Audit Committee met four times in 2007.

Compensation Committee

Our Compensation Committee consists of three members: Dr. Panem (chairperson), Mr. Rauscher and Dr. Young. Our Compensation Committee is responsible for:

reviewing, approving and (where appropriate) recommending for the approval of the full Board the compensation arrangements for executives, including the compensation for our president and chief executive officer;

establishing and reviewing general compensation policies with the objective to attract and retain superior talent, to reward individual performance and to achieve our financial goals; and

administering our stock incentive plan and annual bonus pool.

Our Board has adopted a written charter for the Compensation Committee which is available on our website, www.acorda.com under "Corporate Governance Committee Charters." The Compensation Committee met seven times in 2007.

Nominations Committee

Our Nominations Committee consists of four members: Mr. Randall (Chairperson), Dr. Panem, Mr. Phillips and Mr. Rauscher. The Nominations Committee is responsible for identifying potential candidates to serve on our Board and overseeing an annual evaluation of the Board. Our Board has adopted a written charter for the Nominations Committee which is available on our website, www.acorda.com under "Corporate Governance Committee Charters." The Nominations Committee met one time in 2007.

Compliance Committee

Our Compliance Committee, which was established in May 2007, currently consists of one member, Mr. Greene (Chairperson). The Compliance Committee is responsible for overseeing our compliance with non-financial legal and regulatory requirements, including those related to product safety and quality and the development, manufacturing, distribution and sale of our products. Our Board has adopted a written charter for the Compliance Committee which is available on our website, www.acorda.com under "Corporate Governance Committee Charters." The Compliance Committee met two times in 2007.

Director Qualifications and Director Nomination Process

Qualifications for Director Candidates

The Nominations Committee and the Board do not believe that it is in our best interests to establish rigid criteria for the selection of prospective director candidates. Rather, the Nominations Committee and the Board recognize that the challenges and needs we face will change over time and, accordingly, believe that the selection of director candidates should be based on skill sets relevant to the issues we face or are likely to face at the time of nomination. As a result, the priorities and emphasis of the Nominations Committee and of the Board may change from time to time to take into account changes in business and other trends, and the portfolio of skills and experience of current and prospective members of our Board. At the same time, the Nominations Committee and the Board strongly believe that we benefit from diversity in age, skills, background and experience. We therefore seek director candidates who, in addition to general management experience and business knowledge, possess an expertise in one or more of the following areas: business, medicine, scientific research, drug

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discovery and development, health care, pharmaceuticals, finance, law, corporate governance, risk assessment, and investor relations. In addition, there are certain general attributes that the Nominations Committee and the Board believe all prospective director candidates must possess in order to be recommended to the Board, including:

a commitment to professional integrity and ethics;

demonstrated leadership ability and the ability to exercise sound business judgment;

independence from conflict or direct economic relationship with the Company; and

a willingness to devote the required amount of time to attend Board and committee meetings and to otherwise carry out the duties and responsibilities of Board membership.

Other than the foregoing, there are no stated minimum criteria for director candidates. The Nominations Committee will ensure that at all times, at least a majority of the members of our Board meet the definition of "independent director" under the Nasdaq Global Market qualification standards and that director candidates also meet the specific requirements set forth in the rules of the Nasdaq Global Market and in the rules of the SEC regarding membership on committees of the Board.

In considering re-nomination criteria, the Nominations Committee reviews each director's past attendance at meetings and participation in and contributions to the activities of the Board, as well as whether the director's qualifications and skills are consistent with the Company's current needs and whether the director is willing to continue in service. If any member of our Board does not wish to continue in service or if our Board decides not to nominate a member for re-election, the Nominations Committee will identify the skills and experience desired in a new director candidate.

Identification and Evaluation of Director Candidates

The Nominations Committee uses a variety of methods for identifying director candidates. The Nominations Committee may receive suggestions for potential director candidates from current members of the Board, our executive officers or other sources, which may be either unsolicited or in response to requests from the Nominations Committee for such candidates. The Nominations Committee may also, from time to time, engage firms that specialize in identifying and evaluating potential director candidates. As described below, the Nominations Committee will also consider candidates recommended by stockholders.

The Nominations Committee regularly assesses the appropriate size and composition of the Board as a whole, the needs of the Board and the respective committees of the Board, and the qualification of director candidates in light of these needs. Once an individual has been identified by the Nominations Committee as a potential director candidate, the Nominations Committee makes an initial determination as to whether to conduct a full evaluation of the prospective director candidate based upon various factors, including, but not limited to: the information submitted with the nomination, the Board's own knowledge of the prospective director candidate, and whether the prospective director candidate could satisfy the minimum criteria established by the Nominations Committee. The Nominations Committee then decides whether to do a comprehensive evaluation of a prospective director candidate, which includes one or more interviews with the candidate. In addition, the Nominations Committee may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate's accomplishments. After completing its evaluation, the Nominations Committee makes its recommendation to the full Board as to any person it determines should be considered by the Board. The Board then considers and designates its nominees.

Stockholder Recommendations of Director Candidates

The Nominations Committee does not have a formal policy regarding consideration of director candidates recommended by stockholders. The Nominations Committee will consider director candidates suggested by our stockholders, provided that the recommendations are made in accordance with the procedures required under our Amended and Restated Bylaws and described in this Proxy Statement in the section titled "Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders." Stockholder nominees whose nominations comply with these procedures and who meet the criteria outlined above will be evaluated by the Nominations Committee in the same manner as the Nominations Committee's nominees.

Stockholder Communication with the Board of Directors

Stockholders may communicate with the Board by sending a letter to Acorda Therapeutics Board of Directors c/o Corporate Secretary, 15 Skyline Drive, Hawthorne, New York 10532. The Corporate Secretary will receive and review all correspondence and forward it to the Chairman of the Board, the Chairman of the Audit Committee or to any individual director or directors to whom the communication is directed, as appropriate. Notwithstanding the above, the Corporate Secretary has the authority to discard or disregard any communication that is unduly hostile, threatening, illegal or otherwise inappropriate, or to take any other appropriate actions with respect to such communications.

Board and Committee Fees

The Board adopted an outside director compensation policy in August 2006, which was replaced by a new policy adopted by the Board in August 2007. Both policies include a cash retainer component, consisting of a base retainer for services as a director and additional cash retainer amounts for service as a chair or member of a committee. Under the 2006 policy, the cash retainers were applicable retroactive to February 15, 2006. Under the 2007 policy, which was also retroactively applied, the current retainers took effect on June 5, 2007, the date of the 2007 annual meeting of stockholders.

Both policies also provide for an initial stock option grant and an annual stock option grant, although only Mr. Greene and Mr. Smith were granted initial stock options under the 2006 policy. The number of shares subject to each director's initial stock option grant was equal in face value to two times the annual total cash retainers payable to such director divided by the exercise price (which was the closing price of our common stock on the Nasdaq Global Market on the grant date). Under the 2006 policy, on December 1, 2006, each outside director was granted an annual option to purchase shares of our common stock. The number of shares subject to each director's option was equal in face value to 0.75 times the annual total cash retainers payable to such director divided by the exercise price (which was the closing price of our common stock on the Nasdaq Global Market on the grant date). The initial and annual options vested in four equal quarterly installments over a one-year period and have a term of ten years from the date of grant.

Under the 2007 policy, on August 1, 2007, each outside director was granted an annual option to purchase 10,000 shares of common stock, vesting in four equal quarterly installments over a one-year period beginning June 5, 2007, the date of the Company's 2007 Annual Meeting. Each such option has an exercise price equal to the fair market value of our common stock on August 1, 2007 (the date of grant) and has a term of ten years from the date of grant. Under the 2007 policy, beginning with the 2008 Annual Meeting, each outside director will be granted an option to purchase 10,000 shares of our common stock on the date of the annual meeting. Such options will vest in four equal quarterly installments over a one-year period and will have terms of ten years from the date of grant. Under the 2007 policy, any new director will be granted an option to purchase 25,000 shares of our common stock, exercisable over a one-year period, on the same terms as the annual options.

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Directors are also reimbursed for appropriate expenses related to their service on our board of directors. Upon an outside director's termination of membership on our Board, all vested stock options remain exercisable for 12 months, or such longer period as the board of directors may determine in its discretion, to the extent consistent with Section 409A.

Our compensation policy for outside directors, as adopted in August 2007, is set forth below.

Position	Annual Cash Retainer	Initial Option Grant	Annual Option Grant
Base Fee	\$ 25,000	25,000 shares	10,000 shares
Lead Director/Chair	45,000		
Audit Committee Chair	15,000		
Compensation Committee Chair	12,000		
Compliance Committee Chair	12,000		
Nominations Committee Chair	10,000		
Audit Committee Member	10,000		
Compensation Committee Member	7,000		
Compliance Committee Member	7,000		

2007 Non-Employee Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Option Awards \$(1)	Total \$(1)
Barry Greene(2)	\$ 39,406	\$ 92,196	\$ 131,602
Sandra Panem, Ph.D.(3),(4),(5)	40,129	68,748	108,877
Barclay A. Phillips(4),(6),(7)	38,129	64,728	102,857
Lorin J. Randall(4),(6)	46,607	120,529	167,136
Steven M. Rauscher(3),(4)	35,129	178,254	213,383
Ian Smith(6)	35,728	87,770	123,498
Wise Young, Ph.D., M.D.(3)	30,695	63,363	94,058

- (1) The method and assumptions used to calculate the value of the options granted to our directors are discussed in note 2 to our financial statements. The following lists the grant date fair value of each award made to non-employee directors during 2007: Mr. Greene, \$32,493, \$10,831 and \$127,000; Dr. Panem, \$127,000; Mr. Phillips, \$127,000; Mr. Randall, \$127,000; Mr. Rauscher, \$127,000; Mr. Smith, \$32,510, \$8,119 and \$127,000 and Dr. Young, \$127,000. The aggregate number of shares of our common stock subject to option awards outstanding and held by these individuals at December 31, 2007 were as follows: Mr. Greene, 13,740 shares; Dr. Panem, 15,774 shares; Mr. Phillips, 11,206 shares; Mr. Randall, 44,186 shares; Mr. Rauscher, 43,784 shares; Mr. Smith, 13,231 shares; and Dr. Young, 11,086 shares.
- (2) Member of our Compliance Committee.
- (3) Member of our Compensation Committee.
- (4) Member of our Nominations Committee.
- (5) Dr. Panem's compensation is paid to CAP Advisory Services, LLC.
- (6) Member of our Audit Committee.
- (7) Mr. Phillips is required by contractual agreements governing the limited partnerships (the "Partnerships") with which he is affiliated, to remit any and all compensation received by him, from entities in which the Partnerships are investors, to the Partnerships for the benefit of all limited partners.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information, as of March 1, 2008, with respect to the beneficial ownership of our common stock by:

each person who is known by us to beneficially own more than 5% of our common stock;

each of our directors and executive officers; and

all of our directors and executive officers as a group.

Unless otherwise indicated, the address for each person or entity named below is c/o Acorda Therapeutics, Inc., 15 Skyline Drive, Hawthorne, New York 10532.

Beneficial ownership is determined on the basis of the rules and regulations of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of March 1, 2008 are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to the following table or pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder's name. The percentage of beneficial ownership is based on 32,458,621 shares of common stock outstanding on March 1, 2008.

**Shares of Common
Stock Beneficially
Owned**
