

ACORDA THERAPEUTICS INC
Form DEF 14A
May 08, 2007
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

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)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
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 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

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

May 8, 2007

Dear Stockholder:

You are cordially invited to attend the 2007 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 9:00 a.m., local time, on June 5, 2007.

The following pages contain the formal notice of the 2007 Annual Meeting and the related Proxy Statement. Acorda Therapeutics Annual Report for the fiscal year ended December 31, 2006 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 2007 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 June 5, 2007 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: 9:00 a.m., local time, on June 5, 2007
Place: Westchester Marriott 670 White Plains Road, Tarrytown, NY 10591
Items of Business: (1) To elect two Class II directors for a term expiring on the date of our 2010 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, 2007.
(3) To consider such other business as may properly come before the 2007 Annual Meeting of Stockholders (the 2007 Annual Meeting).

Adjournments and Postponements: Any action on the items of business described above may be considered at the 2007 Annual Meeting at the time and on the date specified above or at any time and date to which the 2007 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 23, 2007.

Meeting Admission: You are entitled to attend the 2007 Annual Meeting only if you were a Acorda Therapeutics stockholder as of the close of business on the record date or hold a valid proxy for the 2007 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 23, 2007, 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 2007 Annual Meeting.

Voting: **Your vote is very important. Whether or not you plan to attend the 2007 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

May 8, 2007

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE 2007 ANNUAL MEETING OF STOCKHOLDERS</u>	1
<u>PROPOSAL ONE: ELECTION OF DIRECTORS</u>	6
<u>Recommendation of the Board of Directors</u>	6
<u>Nominees Standing for Election for the Term Expiring in 2010 - Class II Directors</u>	6
<u>Directors Whose Terms Expire in 2008 - Class III Directors</u>	7
<u>Directors Whose Terms Expire in 2009 - Class I Directors</u>	8
<u>Director Independence</u>	8
<u>Attendance at Board and Committee Meetings</u>	8
<u>Committees of the Board of Directors</u>	9
<u>Director Qualifications and Director Nomination Process</u>	10
<u>Stockholder Communication with the Board of Directors</u>	11
<u>Board and Committee Fees</u>	12
<u>2006 Non-Employee Director Compensation</u>	12
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	14
<u>INFORMATION CONCERNING EXECUTIVE OFFICERS</u>	17
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	18
<u>EXECUTIVE COMPENSATION</u>	21
<u>2006 Summary Compensation Table</u>	21
<u>Stock Option Information for the Year Ended December 31, 2006</u>	22
<u>2006 Grants of Plan-Based Awards Table</u>	22
<u>Outstanding Equity Awards at December 31, 2006</u>	23
<u>2006 Option Exercises and Stock Vested</u>	24
<u>Executive Employment Agreements</u>	24
<u>Potential Payments Upon Termination or Change in Control</u>	27
<u>Other Compensation</u>	27
<u>Tax and Accounting Considerations</u>	28
<u>Benefit Plans</u>	28
<u>Compensation Committee Report</u>	28
<u>Compensation Committee Interlocks and Insider Participation</u>	28
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	29
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	29
<u>AUDIT COMMITTEE REPORT</u>	30
<u>PROPOSAL TWO: RATIFICATION OF INDEPENDENT AUDITORS</u>	30
<u>Ratification of Appointment of KPMG LLP</u>	30
<u>Pre-approval Policies and Procedures</u>	31
<u>Recommendation of the Board of Directors</u>	31
<u>OTHER BUSINESS</u>	31
<u>ADDITIONAL INFORMATION</u>	31
<u>Householding</u>	31
<u>Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of</u>	
<u>Stockholders</u>	32
<u>Annual Report</u>	32

ACORDA THERAPEUTICS, INC.

PROXY STATEMENT FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2007

QUESTIONS AND ANSWERS ABOUT
THE PROXY MATERIALS AND THE 2007 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 2007 Annual Meeting of Stockholders (the 2007 Annual Meeting), which will take place on June 5, 2007. As a stockholder on the Record Date (as defined below), you are invited to attend the 2007 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 May 8, 2007 to all stockholders entitled to vote at the 2007 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 2007 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 2007 Annual Meeting?*

A: The items of business scheduled to be voted on at the 2007 Annual Meeting are:

- The election of two Class II directors for a term expiring on the date of our 2010 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, 2007 (the 2007 Fiscal Year).

We will also consider other business that properly comes before the 2007 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 2007 Fiscal Year.

Q: *Who is entitled to vote at the 2007 Annual Meeting?*

A: Only stockholders of record at the close of business on April 23, 2007 are entitled to vote at the 2007 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 24,126,972 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?*

1

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 2007 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 2007 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 2007 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 2007 Annual Meeting?*

A: You are entitled to attend the 2007 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 2007 Annual Meeting. You should be prepared to present photo identification for admittance. A list of stockholders eligible to vote at the 2007 Annual Meeting will be available for inspection at the 2007 Annual Meeting and for a period of ten days prior to the 2007 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 23, 2007, 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 2007 Annual Meeting.

The 2007 Annual Meeting will begin promptly at 9:00 a.m., local time. Check-in will begin at 8:30 a.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 2007 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 2007 Annual Meeting: Shares held in your name as the stockholder of record may be voted in person at the 2007 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 2007 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 2007 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 representative at the 2007 Annual Meeting. Either Dr. Cohen or Ms. Wasman will vote your shares at the 2007 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 2007 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 2007 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 June 4, 2007. Attendance at the 2007 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 2007 Annual Meeting and voting in person.

Q: *Who can help answer my questions?*

A: If you have any questions about the 2007 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 2007 Annual Meeting?*

A: The quorum requirement for holding the 2007 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 2007 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 2007 Annual Meeting?*

A: If a quorum is not present or represented at the 2007 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 2007 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,

3

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, 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 2007 Annual Meeting, FOR the two 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 2007 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 2007 Annual Meeting is required to elect the two nominees to the Board. In the election of the directors, the nominees receiving the highest number of FOR votes at the 2007 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 2007 Annual Meeting is required to ratify the appointment of KPMG LLP as our independent auditors for the 2007 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, 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 2007 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 2007 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 2007 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

4

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 2007 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 2007 Annual Meeting?

A: We intend to announce preliminary voting results at the 2007 Annual Meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of the 2007 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 2008 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 2008 Annual Meeting of Stockholders, by submitting their proposals to us in a timely manner. To be considered at our 2008 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 June 5, 2008 and if they 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. This year's nominees for director, Sandra Panem, Ph.D. and Wise Young, Ph.D., M.D., have been nominated by the Board for a term of three years expiring on the date of our 2010 Annual Meeting of Stockholders or at such time as their respective successors are duly elected and qualified. Drs. Panem and Young are currently directors of the Company. John Friedman, a former Class II director with Dr. Panem and Dr. Young, resigned from our Board effective August 3, 2006 and a replacement has not yet been selected. Proxies cannot be voted for a greater number of persons than the number of nominees named above.

If any of the candidates should become unavailable for election, the shares represented by the proxies solicited for the 2007 Annual Meeting will be voted for such substitute nominee as may be determined by the Board. The Board has no reason to expect that either Dr. Panem or Dr. Young will not be a candidate for director at the 2007 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 both Dr. Panem and Dr. Young.

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 2007 Annual Meeting.

Certain information concerning the nominees and those directors whose terms of office will continue following the 2007 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, 2006 with respect to our directors and nominees for election at the 2007 Annual Meeting.

Name	Age	Position(s)
Ron Cohen, M.D.	51	President, Chief Executive Officer and Director
Barry Greene(4)	43	Director
Sandra Panem, Ph.D.(1)(3)	60	Director Nominee
Barclay A. Phillips(2)(3)	44	Director
Lorin J. Randall(2)(3)	63	Director
Steven M. Rauscher(1)(3)	53	Director
Ian Smith(2)	41	Director
Wise Young, Ph.D., M.D.(1)	57	Director Nominee

- (1) Member of the Compensation Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Nominations Committee.
- (4) Member of the Compliance Committee.

Nominees Standing for Election for the Term Expiring in 2010 Class II Directors

Sandra Panem, Ph.D., has been a member of our Board of Directors 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 Gene-IT, Inc. and Labcyte, Inc.

6

Wise Young, Ph.D., M.D., has been a member of the board of directors 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 the Richard H. Shindell Chair in Neuroscience and Founding Director 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; founded the Journal of Neurotrauma and has served on the editorial boards of many other journals including Neurosurgery and Stroke. Dr. Young received the Wakeman Award for Research in Neurosciences, and a Jacob Javits Neuroscience Award from the National Institute of Neurological Disorder and Stroke. From 2000-2005, Dr. Young was a member of The Council of the National Institute of Child Health and Disorders (NICHD) and he served on many NIH study sections and advisory boards from 1980-2000. He is a member of the Working Group of the California Institute of Regenerative Medicine (CIRM) that is responsible for scientific review of stem cell research funded by California. Since 2006, Dr. Young has served as Distinguished Visiting Professor at Hong Kong University, and he is organizing spinal cord injury clinics in China. 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.

Directors Whose Terms Expire in 2008 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 serves on the Health Care Governing Body and the Emerging Company Section of the Board of the Biotechnology Industry Organization (BIO). He is Chairman Emeritus and a member of the board of directors of the New York Biotechnology Association and also serves on the Scientific Advisory Board of the Daniel Heumann Fund and as a member of the Columbia-Presbyterian Health Sciences Advisory Council.

Barclay A. Phillips has been a member of our Board of Directors since September 2004. 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. Over the last twelve years, Mr. Phillips has served on the boards of directors of a number of private companies and served as a director of CancerVax Corp. Mr. Phillips received a B.A. in economics from the University of Colorado.

Lorin J. Randall has been a member of our Board of Directors since January 2006. Mr. Randall is an independent financial consultant and previously was Senior Vice President and Chief Financial Officer of Eximias Pharmaceutical Corporation, a development-stage drug development company, from 2004 to 2006. From 2002 to 2004, Mr. Randall served as Senior Vice President and Chief Financial Officer of i-STAT Corporation, a publicly-traded manufacturer of medical diagnostic devices that 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 directors of Quad Systems Corporation, a publicly-traded manufacturer of electronics manufacturing equipment, where he served as Chairman of the Audit Committee. Mr. Randall currently serves on the boards of directors of Point 5 Technologies, Inc. and Rapid Micro Biosystems, 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 of Directors since 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

Barry Greene has been a member of our board of directors since January 2007. Mr. Greene currently serves as Chief Operating Officer of Alnylam Pharmaceuticals, Inc. Mr. Greene joined Alnylam in October 2003, bringing over 15 years of experience in the healthcare industry 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 Mediconsult.com. Prior to Mediconsult.com, Mr. Greene's past experience 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 of directors 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.

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).

In addition to the directors named above, the Board previously determined that three directors who resigned in 2006—John Friedman, Standish Fleming and Michael Steinmetz—were independent directors (as defined in Rule 4200(a)(15) of the National Association of Securities Dealers' listing standards) during the period in fiscal year 2006 in which they served as directors.

Attendance at Board and Committee Meetings

Our Board met 18 times during 2006, 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 Mr. Young, who attended 69 percent of Board meetings and 50 percent of the compensation committee meetings. Although we have no formal policy with respect to director attendance at our annual meetings, 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 of directors 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 board of directors has determined that the composition of our audit committee meets, and the functioning of our audit committee complies with, the applicable requirements of the Sarbanes-Oxley Act of 2002, the Nasdaq Global Market and SEC rules and regulations.

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.

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 of directors has adopted a written charter for the audit committee which is attached hereto as Appendix A and is also available on our website, www.acorda.com under Corporate Governance Committee Charters. The audit committee met five times in 2006.

Compensation Committee

Our compensation committee consists of three members: Dr. Panem (chairperson), Mr. Rauscher and Dr. Young. We believe that the composition of our compensation committee and the functioning of our compensation committee comply with the applicable requirements of the Sarbanes-Oxley Act of 2002, the Nasdaq Global Market and SEC rules and regulations. 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 of directors 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 eight times in 2006.

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 of directors 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 five times in 2006.

Compliance Committee

Our compliance committee, which was established in 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.

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 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

Our outside directors compensation policy provides that outside directors on our board receive an annual cash retainer that consists of a base fee of \$24,000 and additional amounts based on his or her committee assignments. Each outside director also receives an initial stock option grant with an aggregate exercise price equal to two times his or her annual cash retainer, calculated based on the closing price of our stock on the date of grant. For example, if the closing price on the date of grant is \$24 per share, the initial stock option grant for a director serving on no committees will be 2,000 options. These options vest over one year, in equal quarterly installments, and have a term of ten years from the date of grant. The exercise price of the options is the closing price of our stock on the date of grant.

On an annual basis, outside directors receive stock options with an aggregate exercise price equal to 0.75 times their annual cash retainer, calculated based on the closing price of our stock on the date of grant. For example, if the closing price on the date of grant is \$24 per share, the annual stock option grant for a director serving on no committees will be 750 options. The exercise price of the options is the closing price of our stock on the date of grant. These options vest over one year, in equal quarterly installments, and have a term of ten years from the date of grant. 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 our outside directors is set forth in the table below.

Position	Annual Cash Retainer	Initial Option Grant	Annual Option Grant
Base Fee	\$ 24,000	2x annual retainer	0.75x annual retainer
Lead Director/Chair	\$ 13,000	2x annual retainer	0.75x annual retainer
Audit Committee Chair	\$ 10,000	2x annual retainer	0.75x annual retainer
Compensation Committee Chair	\$ 8,000	2x annual retainer	0.75x annual retainer
Compliance Committee Chair	\$ 8,000	2x annual retainer	0.75x annual retainer
Nominations Committee Chair	\$ 3,000	2x annual retainer	0.75x annual retainer
Audit Committee Member	\$ 6,000	2x annual retainer	0.75x annual retainer
Compensation Committee Member	\$ 3,000	2x annual retainer	0.75x annual retainer
Compliance Committee Member	\$ 3,000	2x annual retainer	0.75x annual retainer

2006 Non-Employee Director Compensation

Name and Principal Position(1)	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(2)	Total (\$)(2)
Sandra Panem, Ph.D.(3),(4),(5)	\$ 33,333	\$ 17,695	\$ 51,028
Barclay A. Phillips(4),(6),(7)	\$ 31,250	\$ 288	\$ 31,538
Lorin J. Randall(4),(6)	\$ 37,087	\$ 30,874	\$ 67,961
Steven M. Rauscher(3),(4)	\$ 28,125	\$ 63,984	\$ 91,109
Wise Young, Ph.D., M.D.(3)	\$ 28,125	\$ 259	\$ 28,384

(1) Two of our current directors, Barry Greene and Ian Smith, were elected to the Board in 2007 and therefore did not receive any director compensation during fiscal year 2006. In addition, John Friedman resigned from the Board effective August 3, 2006, and each of Standish Fleming, Mark Pinney and Michael Steinmetz resigned from the Board on September 19, 2006, and none of the foregoing individuals received director compensation during fiscal year 2006.

(2) 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 2006: Dr. Panem, \$14,955; Mr. Phillips, \$14,014; Mr. Randall, \$127,522 and \$17,291; Mr. Rauscher, \$12,619; and Dr. Young, \$12,619. The aggregate number of shares of our common stock subject to option awards outstanding and held by these individuals at December 31, 2006 were as follows: Dr. Panem, 5,774 shares; Mr. Phillips, 1,206 shares; Mr. Randall, 34,186 shares; Mr. Rauscher, 33,784 shares; and Dr. Young, 1,086 shares. In addition, Dr. Young held 3,846 shares of restricted stock at December 31, 2006.

(3) Member of the Compensation Committee

(4) Member of the Nominations Committee

(5) Dr. Panem's cash payments are made to CAP Advisory Services, LLC.

(6) Member of the 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, 2007, with respect to the beneficial ownership of our common stock:

- 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, 2007 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 24,124,989 shares of common stock outstanding on March 1, 2007.

	Shares Beneficially	
	Owned Number	Percent
5% Stockholders		
Atlas/Visium Entities(1)	1,226,129	5.1 %
Fidelity Entities(2)	1,836,550	7.6 %
Janus Capital Management LLC(3)	1,657,838	6.9 %
Morgan Stanley Entities(4)	2,634,259	10.9 %