

Edgar Filing: Valeant Pharmaceuticals International, Inc. - Form SC 13D/A

Valeant Pharmaceuticals International, Inc.
Form SC 13D/A
May 23, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D
Under the Securities and Exchange Act of 1934

Amendment No. 3

Valeant Pharmaceuticals International, Inc.

(Name of Issuer)

Common Stock, no par value

(Title of Class of Securities)

91911K102

(CUSIP Number)

Allison Bennington, Esq.
ValueAct Capital
435 Pacific Avenue, Fourth Floor
San Francisco, CA 94133
(415) 362-3700

(Name, address and telephone number of Person
Authorized to Receive Notices and Communications)

Christopher G. Karras, Esq.
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, PA 19104-2808
(215) 994-4000

May 13, 2011

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

This information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of

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the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 91911K102

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

ValueAct Capital Master Fund, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (See Instructions)*

WC*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

	7. SOLE VOTING POWER
	0
NUMBER OF	8. SHARED VOTING POWER
SHARES	15,095,302**
BENEFICIALLY	9. SOLE DISPOSITIVE POWER
OWNED BY EACH	0
PERSON WITH	10. SHARED DISPOSITIVE POWER
	15,095,302**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

15,159,017**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.1%

14. TYPE OF REPORTING PERSON

PN

*See Item 3

**See Items 2 and 5

SCHEDULE 13D

CUSIP NO. 91911K102

Page 3 of 13

1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

VA Partners I, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH	7. SOLE VOTING POWER 0
	8. SHARED VOTING POWER 15,095,302**
	9. SOLE DISPOSITIVE POWER 0
	10. SHARED DISPOSITIVE POWER 15,095,302**

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00 (LLC)

*See Item 3

**See Items 2 and 5

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ValueAct Capital Management, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) (b)

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Holdings, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

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3. SEC USE ONLY

4. SOURCE OF FUNDS*

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PURSUANT TO ITEMS 2(d) or 2(e) []

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Holdings GP, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

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00*

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PURSUANT TO ITEMS 2(d) or 2(e) []

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Delaware

7. SOLE VOTING POWER
0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
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00 (LLC)

*See Item 3

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THE PURPOSE OF THIS AMENDMENT NO. 3 TO SCHEDULE 13D IS TO AMEND THE OWNERSHIP REPORTS OF THE REPORTING PERSONS AND TO AMEND ITEM 4 (PURPOSE OF TRANSACTION), ITEM 6 (CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER) AND ITEM 7 (MATERIAL TO BE FILED AS EXHIBITS). THE INFORMATION BELOW SUPPLEMENTS THE INFORMATION PREVIOUSLY PROVIDED.

Item 1. Security and Issuer

This Schedule 13D relates to the Common Stock, no par value (the "Common Stock"), of Valeant Pharmaceuticals International, Inc. a Canadian corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 7150 Mississauga Road, Mississauga, Ontario, Canada L5N 8M5.

Item 2. Identity and Background

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This statement is filed jointly by (a) ValueAct Capital Master Fund, L.P. ("ValueAct Master Fund"), (b) VA Partners I, LLC ("VA Partners I"), (c) ValueAct Capital Management, L.P. ("ValueAct Management L.P."), (d) ValueAct Capital Management, LLC ("ValueAct Management LLC"), (e) ValueAct Holdings, L.P. ("ValueAct Holdings") and (f) ValueAct Holdings GP, LLC ("ValueAct Holdings GP") (collectively, the "Reporting Persons").

ValueAct Master Fund is a limited partnership organized under the laws of the British Virgin Islands. It has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

VA Partners I is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Master Fund. It has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

ValueAct Management L.P. is a Delaware limited partnership which renders management services to ValueAct Master Fund. ValueAct Management LLC is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Management L.P. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

ValueAct Holdings is a Delaware limited partnership and is the sole owner of the limited partnership interests of ValueAct Management L.P. and the membership interests of ValueAct Management LLC and is the majority owner of the membership interests of VA Partners I. ValueAct Holdings GP is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Holdings. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

(d) and (e). None of the entities or persons identified in this Item 2 has during the past five years been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors), nor been a party to a civil proceeding of a judicial or administrative body of competent judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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Item 3. Source and Amount of Funds or Other Consideration

Not applicable- see Item 4.

Item 4. Purpose of Transaction

Item 4 to Schedule 13D is amended, in pertinent part as follows:

On May 6, 2011, ValueAct Capital Master Fund, L.P. ("ValueAct Capital") and the Issuer entered into a Purchase Agreement ("Agreement") to sell approximately 4.5 million common shares to Valeant Pharmaceuticals International (the "Issuer") for a purchase price of \$224.9 million. The closing conditions contained in the Agreement were met on May 13, 2011 and the following transaction contemplated by the Agreement was effected:

* ValueAct Capital sold 4,498,180 shares of the Issuer's Common Stock to the Issuer for \$49.9889 per share.

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G. Mason Morfit is a partner and a member of the Management Committee of ValueAct Capital. Mr. Morfit joined the Issuer's board of directors on September 28, 2010, effective with the Merger, and prior thereto served as a member of the Issuer's board of directors since 2007.

A copy of the Agreement has been previously filed as Exhibit 2.4 to the Issuer's Current Report on Form 10-Q dated May 10, 2011 and is incorporated by reference herein.

Except as set forth in this Report and in connection with the Agreement described above, the Reporting Persons have no plan or proposals that relate to or would result in any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D. The Reporting Persons may at any time reconsider and change their plans or proposals relating to the foregoing.

Item 5. Interest in Securities of the Issuer

(a) and (b). Set forth below is the beneficial ownership of shares of Common Stock of the Issuer for each person named in Item 2. Shares reported as beneficially owned by ValueAct Master Fund are also reported as beneficially owned by (i) ValueAct Management L.P. as the manager of each such investment partnership, (ii) ValueAct Management LLC, as General Partner of ValueAct Management L.P., (iii) ValueAct Holdings, as the sole owner of the limited partnership interests of ValueAct Management L.P. and the membership interests of ValueAct Management LLC and as the majority owner of the membership interests of VA Partners I and (iv) ValueAct Holdings GP, as General Partner of ValueAct Holdings. Shares reported as beneficially owned by ValueAct Master Fund are also reported as beneficially owned by VA Partners I, as General Partner of ValueAct Master Fund. VA Partners I, ValueAct Management L.P., ValueAct Management LLC, ValueAct Holdings and ValueAct Holdings GP also, directly or indirectly, may own interests in one or more than one of the partnerships from time to time. Unless otherwise indicated below, by reason of such relationship ValueAct Master Fund is reported as having shared power to vote or to direct the vote, and shared power to dispose or direct the disposition of, such shares of Common Stock, with VA Partners I (only with respect to ValueAct Master Fund), ValueAct

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Management L.P., ValueAct Management LLC, ValueAct Holdings and ValueAct Holdings GP.

Shares reported as beneficially owned by ValueAct Master Fund include 63,715 Restricted Stock Units obtained directly from the Issuer as compensation for service on the Issuer's Board of Directors and held by principals of ValueAct Master Fund who serve on the Issuer's Board of Directors. In accordance with the policies of ValueAct Master Fund those individuals hold such shares for the benefit of ValueAct Master Fund and disclaim beneficial ownership of the shares.

As of the date hereof, the Reporting Persons beneficially own 15,159,017 shares of the Issuer's Common Stock, representing approximately 5.1% of the issued and outstanding shares of the Issuer's Common Stock. This percentage is based on 298,124,279 shares of the Issuer's Common Stock issued and outstanding as of May 16, 2011, as reported by the Issuer.

Item 6. Contracts, Arrangements, Understandings or Relationships with

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Respect to Securities of the Issuer

Other than as described elsewhere in this Report and as previously reported, the Reporting Persons have no understandings, arrangements, relationships or contracts relating to the Issuer's Common Stock which are required to be described hereunder.

Item 7. Material to Be Filed as Exhibits

(1) Joint Filing Agreement.

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SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below on this Schedule 13D hereby constitutes and appoints Jeffrey W. Ubben, George F. Hamel, Jr., G. Mason Morfit and Allison Bennington, and each of them, with full power to act without the other, his or its true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or it and in his or its name, place and stead, in any and all capacities (until revoked in writing) to sign any and all amendments to this Schedule 13D, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary fully to all intents and purposes as he or it might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or

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substitutes, may lawfully do or cause to be done by virtue hereof.

ValueAct Capital Master Fund L.P., by
VA Partners I, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

VA Partners I, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, L.P., by
ValueAct Capital Management, LLC its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

CUSIP NO. 91911K102

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ValueAct Holdings, L.P., by
ValueAct Holdings GP, LLC, its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings GP, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

CUSIP NO. 91911K102

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Exhibit 1

JOINT FILING UNDERTAKING

The undersigned parties hereby agree that the Schedule 13D filed herewith (and any amendments thereto) relating to the Common Stock of Valeant Pharmaceuticals International, Inc. is being filed jointly on behalf of each of them with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended.

ValueAct Capital Master Fund L.P., by
VA Partners I, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

VA Partners I, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, L.P., by
ValueAct Capital Management, LLC its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings, L.P., by
ValueAct Holdings GP, LLC, its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings GP, LLC

By: /s/ George F. Hamel, Jr.

Dated: May 20, 2011

George F. Hamel, Jr., Chief Operating Officer