

VALEANT PHARMACEUTICALS INTERNATIONAL
Form SC 13D/A
June 24, 2010

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

SCHEDULE 13D

Under the Securities and Exchange Act of 1934
(Amendment No. 13)

Valeant Pharmaceuticals
International
(Name of Issuer)

Common Stock, \$0.01 par
value
(Title of Class of Securities)

91911X104
(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)

June 20, 2010
(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 o

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

SCHEDULE 13D

CUSIP NO.
91911X104
2 of 11

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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*

WC*

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

	NUMBER OF SHARES	7		SOLE VOTING POWER
	BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			0
		8		SHARED VOTING POWER
				15,138,358**
		9		SOLE DISPOSITIVE POWER
				0
				SHARED DISPOSITIVE POWER
		10		15,138,358**
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON			
	15,138,358**			
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES) <input type="checkbox"/>			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)			

20.0%

14 TYPE OF REPORTING PERSON

PN

*See Item 3

**See Items 2 and 5

SCHEDULE 13D

CUSIP NO.
91911X104
3 of 11

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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*

OO *

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 15,138,358**
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 15,138,358**

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

15,138,358**

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20.0%

14 TYPE OF REPORTING PERSON

00 (LLC)

*See Item 3

**See Items 2 and 5

SCHEDULE 13D

CUSIP NO.
91911X104
4 of 11

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

ValueAct Capital Management, L.P.

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

(b)

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4 SOURCE OF FUNDS*

OO*

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NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

7

SOLE VOTING POWER

0

8

SHARED VOTING POWER

15,138,358**

9

SOLE DISPOSITIVE POWER

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SHARED DISPOSITIVE POWER

15,138,358**

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SCHEDULE 13D

CUSIP NO.
91911X104
5 of 11

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

ValueAct Capital Management, LLC

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*See Item 3

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SCHEDULE 13D

CUSIP NO.
91911X104
Page 6 of 11

1 NAME OF REPORTING PERSON
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

ValueAct Holdings, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
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REPORTING
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15,138,358**

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*See Item 3

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SCHEDULE 13D

CUSIP NO. 91911X104

Page 7 of 11

1 NAME OF REPORTING PERSON
 SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

ValueAct Holdings GP, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO *

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Delaware

NUMBER OF
 SHARES
 BENEFICIALLY
 OWNED BY
 EACH
 REPORTING
 PERSON
 WITH

7

SOLE VOTING POWER

0

8

SHARED VOTING POWER

15,138,358**

9

SOLE DISPOSITIVE POWER

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SHARED DISPOSITIVE POWER

10

15,138,358**

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20.0%

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00 (LLC)

*See Item 3

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CUSIP NO.
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THE PURPOSE OF THIS AMENDMENT NO. 13 TO SCHEDULE 13D IS 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 4. Purpose of Transaction

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

On June 20, 2010, Valeant Pharmaceuticals International, a Delaware corporation (the "Issuer"), Biovail Corporation, a Canadian corporation ("Biovail"), Biovail Americas Corp., a Delaware corporation and a wholly owned subsidiary of Biovail ("BAC") and Beach Merger Corp., a Delaware corporation and a newly formed wholly owned subsidiary of BAC ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides for a business combination whereby Merger Sub will merge with and into the Issuer (the "Merger"). As a result of the Merger, the separate corporate existence of Merger Sub will cease and the Issuer will continue as the surviving corporation. The completion of the Merger is subject to the approval of stockholders of the Issuer and Biovail, consummation of the financing and other customary closing conditions.

As a condition to their willingness to enter into the Merger Agreement, the Issuer and Biovail entered into a voting agreement (the "Voting Agreement"), dated as of June 20, 2010, with ValueAct Capital Master Fund, L.P. ("ValueAct"), whereby ValueAct has agreed, upon the terms and subject to the conditions set forth therein, (i) to vote its shares of the Issuer's common stock for the Merger and against any competing transaction that may be proposed or any amendment to the Issuer's charter or bylaws or other proposal that would impede, prevent or nullify any provision of the Merger Agreement or the Merger, (ii) to not sell or otherwise transfer its shares or enter into any other voting arrangement, except in connection with Merger, and (iii) not to solicit, initiate, encourage or facilitate certain other types of acquisition transactions involving the Issuer.

The Voting Agreement will terminate upon the earliest of (i) the date the Merger becomes effective, (ii) the date the Merger Agreement terminates, (iii) the date of an adverse change in the recommendation of the Issuer's board of directors, or (iv) February 28, 2011. If the Voting Agreement has not been terminated by its terms on an earlier date, the obligation of ValueAct not to sell or otherwise transfer its shares will terminate on December 30, 2010.

The foregoing description of the Voting Agreement is qualified in its entirety by reference to the full text of the Voting Agreement, which is filed as Exhibit 10.2 to the Issuer's Current Report on Form 8-K filed June 23, 2010, which is incorporated herein by reference.

Except as set forth in this Report and in connection with the Voting 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.

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91911X104
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Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The information set forth in Item 4 above with respect to the Voting Agreement is incorporated herein by reference.

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.

(2) Voting Agreement, dated June 20, 2010, by and among Valeant Pharmaceuticals International, Biovail Corporation and ValueAct Capital Master Fund, L.P. filed as Exhibit 10.2 to the Issuer's Current Report on Form 8-K dated June 23, 2010 and incorporated by reference herein.

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

Dated: June 23, 2010 VALUEACT CAPITAL MASTER FUND, L.P.
By: VA PARTNERS I, LLC, its General Partner

By:/s/ George F. Hamel. Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VA PARTNERS I, LLC

By:/s/ George F. Hamel. Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT CAPITAL MANAGEMENT, L.P.
By: VALUEACT CAPITAL MANAGEMENT,
LLC, its General Partner

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

George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT CAPITAL MANAGEMENT, LLC

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT HOLDINGS, L.P.
By: VALUEACT HOLDINGS GP, LLC, its
General Partner

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT HOLDINGS GP, LLC

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

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91911X104
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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 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.

Dated: June 23, 2010 VALUEACT CAPITAL MASTER FUND, L.P.
By: VA PARTNERS I, LLC, its General Partner

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VA PARTNERS I, LLC

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT CAPITAL MANAGEMENT, L.P.
By: VALUEACT CAPITAL MANAGEMENT,
LLC, its General Partner

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT CAPITAL MANAGEMENT, LLC

By:/s/ George F. Hamel, Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010 VALUEACT HOLDINGS, L.P.
By: VALUEACT HOLDINGS GP, LLC, its
General Partner

By:/s/ George F. Hamel. Jr.
George F. Hamel, Jr.
Chief Operating Officer

Dated: June 23, 2010

VALUEACT HOLDINGS GP, LLC

By:/s/ George F. Hamel. Jr.
George F. Hamel, Jr.
Chief Operating Officer