

WATSON PHARMACEUTICALS INC
Form SC 13D
December 14, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

WATSON PHARMACEUTICALS, INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.0033 PER SHARE

(Title of Class of Securities)

942683103

(CUSIP Number)

ANDREW J. NUSSBAUM, ESQ.

WACHTELL, LIPTON, ROSEN & KATZ

51 WEST 52ND STREET

NEW YORK, NEW YORK 10019

(212) 403-1000

**(Name, Address and Telephone Number of Person
Authorized to Receive Notices of Communication)**

December 2, 2009

(Date of Event Which Requires Filing of This Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), 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 § 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.

The 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).

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1 NAME OF REPORTING PERSONS

Quiver Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

NUMBER OF SHARES

10,537,755 (1)

BENEFICIALLY OWNED BY

9 SOLE DISPOSITIVE POWER

0

EACH REPORTING

10 SHARED DISPOSITIVE POWER

10,537,755 (1)

PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,806,409 (2)

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

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

9.7% (2)(3)

14 TYPE OF REPORTING PERSON

CO

(1) Includes 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow

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Group. Does not include 1,268,654 shares of Common Stock beneficially owned by Friar Tuck, as more fully described in Item 5.

(2) The Reporting Persons beneficially own in the aggregate 11,806,409 shares of Common Stock, consisting of (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck. Pursuant to Rule 13d-4, neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Quiver that it is the beneficial owner of the 1,268,654 shares of Common Stock beneficially owned by Friar Tuck for purposes of Section 13(d) of the Act or for any other purpose, and such beneficial ownership is expressly disclaimed.

(3) Calculation based on 121,173,883 shares of Common Stock outstanding as of December 4, 2009.

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1 NAME OF REPORTING PERSONS

Quiver Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Guernsey, Channel Islands

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

NUMBER OF SHARES

11,806,409 (1)

BENEFICIALLY OWNED BY

9 SOLE DISPOSITIVE POWER

0

EACH REPORTING

10 SHARED DISPOSITIVE POWER

11,806,409 (1)

PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,806,409 (2)

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

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

9.7% (2)(3)

14 TYPE OF REPORTING PERSON

OO

(1) Includes (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow

Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

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(3) Calculation based on 121,173,883 shares of Common Stock outstanding as of December 4, 2009.

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1 NAME OF REPORTING PERSONS

Stedtnik 1 Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Guernsey, Channel Islands

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

NUMBER OF SHARES

11,806,409 (1)

BENEFICIALLY OWNED BY

9 SOLE DISPOSITIVE POWER

0

EACH REPORTING PERSON WITH

10 SHARED DISPOSITIVE POWER

11,806,409 (1)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,806,409 (2)

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

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

9.7% (2)(3)

14 TYPE OF REPORTING PERSON

CO

(1) Includes (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow

Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

(2) The Reporting Persons beneficially own in the aggregate 11,806,409 shares of Common Stock, consisting of (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

(3) Calculation based on 121,173,883 shares of Common Stock outstanding as of December 4, 2009.

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1 NAME OF REPORTING PERSONS

Queensmead Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

NUMBER OF SHARES

11,806,409 (1)

9 SOLE DISPOSITIVE POWER

BY

0

10 SHARED DISPOSITIVE POWER

EACH REPORTING

11,806,409 (1)

PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,806,409 (2)

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

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

9.7% (2)(3)

14 TYPE OF REPORTING PERSON

OO

(1) Includes (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

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(2) The Reporting Persons beneficially own in the aggregate 11,806,409 shares of Common Stock, consisting of (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

(3) Calculation based on 121,173,883 shares of Common Stock outstanding as of December 4, 2009.

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1 NAME OF REPORTING PERSONS

Alexandria Bancorp Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ..

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

NUMBER OF SHARES

11,806,409 (1)

9 BENEFICIALLY OWNED BY **SOLE DISPOSITIVE POWER**

EACH REPORTING

10 SHARED DISPOSITIVE POWER

11,806,409 (1)

PERSON WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11,806,409 (2)

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

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

9.7% (2)(3)

14 TYPE OF REPORTING PERSON

CO

(1) Includes (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

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(2) The Reporting Persons beneficially own in the aggregate 11,806,409 shares of Common Stock, consisting of (i) 9,978,269 shares of Common Stock directly beneficially owned by Quiver and 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group and (ii) 1,268,654 shares of Common Stock directly beneficially owned by Friar Tuck.

(3) Calculation based on 121,173,883 shares of Common Stock outstanding as of December 4, 2009.

Item 1. Security and Issuer

This statement on Schedule 13D (this Schedule 13D) relates to the shares of common stock, par value \$0.0033 per share (the Common Stock), of Watson Pharmaceuticals, Inc., a Nevada corporation (Watson or the Issuer). The principal executive offices of Watson are located at 311 Bonnie Circle, Corona, California 92880.

Item 2. Identity and Background

(a) This Schedule 13D is being filed by Quiver Inc., a British Virgin Islands limited liability company (Quiver), Quiver Trust, a Guernsey, Channel Islands trust (Quiver Trust), Stedtnik 1 Limited, a Guernsey, Channel Islands corporation (Stedtnik 1), Queensmead Trust, a Cayman Islands trust (Queensmead Trust), and Alexandria Bancorp Limited, a Cayman Islands corporation (Alexandria Bancorp) (each of the foregoing, a Reporting Person, and collectively, the Reporting Persons). See Schedule A hereto for information regarding the additional entities and persons listed thereon.

(b) The principal office of Quiver is located at Wickhams Cay II, P.O. Box 3159, Road Town, Tortola, British Virgin Islands. The principal office of Quiver Trust and Stedtnik 1 Limited is 18-20 Le Pollet, St Peter Port, Guernsey GY1 W1H, Channel Islands. The principal office of Queensmead Trust and Alexandria Bancorp is The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 2428, Georgetown, Grand Cayman, KY1-1105, Cayman Islands.

(c) The principal business of Quiver was to hold a majority of the equity in Robin Hood Holdings Limited, a Malta private limited liability company (Robin Hood), and its principal business after the Share Purchase (as defined below) is to hold the consideration received upon consummation of the Share Purchase. The principal business of Quiver Trust is to own 100% of the equity in Quiver. The principal business of Stedtnik 1 is to be the trustee of Quiver Trust. The principal business of Queensmead Trust is to own 100% of the equity of Stedtnik 1. The principal business of Alexandria Bancorp is to serve as a professional commercial trustee; Alexandria Bancorp is the trustee of Queensmead Trust.

(d) During the last five years, none of the Reporting Persons or any other person listed on Schedule A hereto has been convicted in a criminal proceeding (excluding minor traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons or any other person listed on Schedule A hereto has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

(f) See Schedule A hereto for the citizenship of the additional persons listed thereon.

Item 3. Source and Amount of Funds or Other Consideration

The Reporting Persons did not purchase any shares of Common Stock. On June 16, 2009, Watson, Robin Hood, a non U.S. entity and a wholly-owned subsidiary of Watson (from and after its accession to the Share Purchase Agreement in accordance with Section 6.20 of the Share Purchase Agreement) (Purchaser), the shareholders of Robin Hood (collectively, the Sellers) and Anthony Selwyn Tabatznik, an individual solely in his capacity as shareholders representative (the Shareholders Representative), entered into a Share Purchase Agreement (as amended by First Amendment to Share Purchase Agreement, dated as of November 26, 2009, the Share Purchase Agreement). The Share Purchase was consummated on December 2, 2009 (the Closing).

Pursuant to the terms and subject to the conditions of the Share Purchase Agreement, Purchaser acquired all of the outstanding equity of Robin Hood and Cobalt Laboratories, Inc., a Delaware corporation, from the Sellers (the Share Purchase) and acquired the subsidiaries of Robin Hood (Arrow Group) in exchange for cash, Common Stock, certain contingent payments after the Closing based on the after-tax gross profits on sales of Atorvastatin in the United States as described in the Share Purchase Agreement. In addition, Watson contributed to Cobalt Holdings LLC, a Delaware limited liability company and wholly-owned subsidiary of Watson, 200,000 shares of newly-designated non-voting Series A Preferred Stock of Waton having a stated value of \$1,000 per share, or an aggregate stated value of \$200,000,000 (the Preferred Stock), which was placed in an indemnity escrow account for a period of three years, and the Sellers are entitled to the proceeds of the mandatory redemption of the Preferred Stock upon the termination of the escrow, less the amount of any indemnity payments therefrom pursuant to the Share Purchase Agreement. As a result of the Share Purchase, (a) Quiver (i) received consideration equal to \$532,116,896 of cash in the aggregate and 9,978,269 shares of Common Stock, (ii) will be entitled to approximately 58.9% of certain contingent payments after the Closing based on the after-tax gross profits on sales of Atorvastatin in the United States as described in the Share Purchase Agreement, and (iii) will be entitled to approximately 58.9% of the proceeds of the mandatory redemption of the Preferred Stock upon the termination of the escrow account, less the amount of any indemnity payments therefrom pursuant to the Share Purchase Agreement, and (b) Friar Tuck Limited, a British Virgin Islands corporation (Friar Tuck), (i) received consideration equal to \$67,654,239 of cash in the aggregate and 1,268,654 shares of Common Stock, (ii) will be entitled to approximately 7.5% of certain contingent payments after the Closing based on the after-tax gross profits on sales of Atorvastatin in the United States as described in the Share Purchase Agreement, and (iii) will be entitled to approximately 7.5% of the proceeds of the mandatory redemption of the Preferred Stock upon the termination of the escrow account, less the amount of any indemnity payments therefrom pursuant to the Share Purchase Agreement. The Reporting Persons may be deemed to beneficially own shares of Common Stock, as more fully described in Item 5.

Item 4. Purpose of the Transaction

The Reporting Persons acquired the shares of Common Stock pursuant to the Share Purchase Agreement. In this connection, subject to the transfer restrictions described in Item 6 below (which responses are incorporated by reference in their entirety incorporated herein by reference), the Reporting Persons expect to evaluate on an ongoing basis their investment in Watson, and may from time to time acquire additional or dispose of shares of Common Stock (in each case, depending upon general investment policies, market conditions and other factors) or formulate other purposes, plans or proposals regarding Watson or the Common Stock held by the Reporting Persons to the extent deemed advisable in light of general investment policies, market conditions and other factors. Any such acquisitions or dispositions may be made, subject to applicable law, in open market transactions, privately negotiated transactions or, in the case of dispositions, pursuant to a registration statement. The Reporting Persons may act independently in evaluating and effectuating any such transactions.

Except as set forth elsewhere in this Schedule 13D, none of the Reporting Persons or any other person listed on Schedule A hereto has any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of Watson, or the disposition of securities of Watson; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Watson or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of Watson or any of its subsidiaries; (d) any change in the present Board of Directors of Watson or management of Watson, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board of Directors of Watson; (e) any material change in the present capitalization or dividend policy of Watson; (f) any other material change in Watson's business or corporate structure; (g) any changes in Watson's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of Watson by any person; (h) causing a class of securities of Watson to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of Watson becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to any of those enumerated above.

The shareholders of Quiver include current and former employees of Robin Hood and their affiliates, including Anthony Selwyn Tabatznik, one of the founders and a former director of Robin Hood. Pursuant to the Share Purchase Agreement, Watson has appointed Mr. Tabatznik to its board of directors to serve as a Class I director until Watson's annual meeting in 2011.

Item 5. Interest in Securities of the Issuer

(a) Quiver is the direct beneficial owner, with shared dispositive and voting power, of 9,978,269 shares of Common Stock and also holds, with shared dispositive and voting power, 559,486 shares of Common Stock on behalf of certain former minority interestholders in subsidiaries of the Arrow Group. Quiver therefore reports herein beneficial ownership of 10,537,755 shares, or 8.7%, of the outstanding Common Stock. Friar Tuck, of which Quiver Trust is a majority shareholder, is the direct beneficial owner, with shared dispositive and voting power, of 1,268,654 shares of Common Stock. Quiver Trust may be deemed to have beneficial ownership, with shared dispositive and voting power, of 11,806,409 shares, or 9.7%, of the outstanding Common Stock, comprised of (i) the 9,978,269 shares of Common Stock directly beneficially owned by Quiver and the 559,486 shares of Common Stock held by Quiver on behalf of certain former minority interestholders in subsidiaries of the Arrow Group, because Quiver Trust, as the owner of approximately 92% of the equity of Quiver, may be deemed to be the beneficial owner of such shares and (ii) the 1,268,654 shares of Common Stock beneficially owned by Friar Tuck, because Quiver Trust, as the owner of approximately 75% of the equity of Friar Tuck, may be deemed to be the beneficial owner of such shares. Stedtnik 1

Limited, as the trustee of Quiver Trust, may be deemed to be the beneficial owner, with shared dispositive and voting power, of the 11,806,409 shares, or 9.7%, of the outstanding Common Stock beneficially owned by Quiver Trust. Queensmead Trust, as the owner of 100% of the equity of Stednik 1 Limited, may be deemed to be the beneficial owner, with shared dispositive and voting power, of the 11,806,409 shares, or 9.7%, of the outstanding Common Stock beneficially owned by Stednik 1 Limited. Alexandria Bancorp, as the trustee of Queensmead Trust, may be deemed to be the beneficial owner, with shared dispositive and voting power, of the 11,806,409 shares, or 9.7%, of the outstanding Common Stock beneficially owned by Queensmead Trust.

Quiver disclaims beneficial ownership of the shares of Common Stock held by Friar Tuck. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by Quiver (with respect to the shares beneficially owned by Friar Tuck), Quiver Trust, Stednik 1, Queensmead Trust or Alexandria Bancorp that it is the beneficial owner of any of the shares of Common Stock referred to herein for purposes of the Exchange Act, or for any other purpose, and such beneficial ownership is expressly disclaimed. To the knowledge of the Reporting Persons, no executiv