

Edgar Filing: ICN PHARMACEUTICALS INC - Form SC 13D/A

ICN PHARMACEUTICALS INC
Form SC 13D/A
March 25, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a)
AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 1)

ICN Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share ("Shares")

(Title of Class of Securities)

44 8924 100

(CUSIP Number)

David L. Cohen
Principal
Iridian Asset Management LLC
276 Post Road West
Westport, CT 06880-4704
203-341-9000

David Winters
President
Franklin Mutual Advisers, LLC
51 John F. Kennedy Parkway
Short Hills, New Jersey 07078
973-912-2177

with a copy to:

Daniel S. Sternberg, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
212-225-2000

(Name, Address and Telephone Number of Persons Authorized to Receive Notices
and Communications)

March 22, 2002

(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 Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. [X] (As to the Iridian Reporting Persons (as defined below) only.)

The information required on this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

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(Continued on the following pages)
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This Amendment No. 1 (this "Amendment") amends and supplements the Schedule 13D filed on March 13, 2002, of the Reporting Persons, with respect to the common stock, par value \$0.01 per share (the "Common Stock"), of ICN Pharmaceuticals, Inc., a Delaware corporation (the "Issuer"). All capitalized terms used in this Amendment and not otherwise defined herein have the meanings ascribed to such terms in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended by adding the following:

On Friday, March 22, 2002, Mutual Shares Fund, a series of Franklin Mutual Series Fund Inc., a Maryland corporation, by FMA its investment adviser, delivered to the Issuer a written notice in accordance with the Issuer's Restated Certificate of Incorporation that it proposes to nominate three persons for election to the Issuer's board of directors at the Issuer's 2002 annual meeting of stockholders.

Separately, the Reporting Persons have noted that, according to Amendment No. 5 to the Registration Statement on Form S-1 of Ribapharm, Inc., currently a wholly-owned subsidiary of the Issuer ("Ribapharm"), in connection with an initial public offering of its common stock, Ribapharm intends to grant stock options to acquire 7.9 million shares of its common stock (5.3% of the shares to be outstanding following the offering) with a fair market value, according to Ribapharm's filing, of over \$53.7 million, to a group of "officers and employees of the Issuer who are not one of [Ribapharm's] directors, officers, employees or consultants." Included in the intended grants are options to acquire five million shares (with a fair market value of \$34 million) to Milan Panic, the Issuer's current chairman and chief executive officer, who will have no position as an officer or director of Ribapharm.

The Reporting Persons believe that the intended grant of options to this group of persons, for services which they have a duty to provide in the course of their employment by the Issuer and for which they are already well-compensated, would be highly unusual and an ill-advised transfer of shareholder wealth. The Reporting Persons further believe that the intended grants are, in any event, excessive in amount and wasteful of corporate assets. The Reporting Persons intend to raise this matter with the directors and management of the Issuer and/or Ribapharm and other interested parties and to urge that these intended option grants not be carried out.

SIGNATURES

After reasonable inquiry, and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 25, 2002

IRIDIAN ASSET MANAGEMENT LLC

/s/ David L. Cohen

By: David L. Cohen
Title: Principal

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LC CAPITAL MANAGEMENT, LLC

/s/ David L. Cohen

By: David L. Cohen
Title: Principal

CL INVESTORS, INC.

/s/ Jeffrey M. Elliott

By: Jeffrey M. Elliott
Title: President

COLE PARTNERS LLC

/s/ David L. Cohen

By: David L. Cohen
Title: Principal

IRIDIAN PRIVATE BUSINESS VALUE
EQUITY FUND, L.P.

By: COLE Partners LLC, General
Partner

/s/ David L. Cohen

By: David L. Cohen
Title: Principal

/s/ David L. Cohen

David L. Cohen, individually

/s/ Harold J. Levy

Harold J. Levy, individually

Date: March 25, 2002

FRANKLIN MUTUAL ADVISERS, LLC

/s/ Bradley Takahashi

By: Bradley Takahashi
Title: Assistant Vice President