

VALEANT PHARMACEUTICALS INTERNATIONAL

Form 8-K

June 17, 2005

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

**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **June 16, 2005**

**VALEANT PHARMACEUTICALS INTERNATIONAL**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-11397**  
(Commission  
File Number)

**33-0628076**  
(I.R.S. Employer  
Identification No.)

**3300 Hyland Avenue**  
**Costa Mesa, California**  
(Address of principal executive offices)

**92626**  
(Zip Code)

**(714) 545-0100**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



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**Item 1.01 Entry into a Material Definitive Agreement**

On June 16, 2005, Valeant Pharmaceuticals International (the Company) entered into Executive Severance Agreements (each an Agreement) with each of Charles Bramlage, President European Operations; John Cooper, Executive Vice President, Global Manufacturing and Supply; and Wesley Wheeler, President, North America (each an Executive).

Each Agreement expires on December 31, 2010 unless sooner terminated following a Change in Control (as defined in the Agreements), and shall automatically be extended for successive one-year periods unless no later than six months prior to a scheduled expiration date the Company notifies Executive that such Executive's Agreement will not be extended.

Under each Agreement, upon termination by reason of death or disability, by the Company for cause, or by Executive without good reason, Executive will receive all amounts earned or accrued through the termination date, as specified in the Agreements. Upon termination by reason of death or disability, Executive or his heirs will, in addition, be entitled to a prorated portion of his annual bonus. Executive or his heirs will be entitled to other compensation or benefits in accordance with the Company's benefit plans and other applicable programs and practices then in effect.

If Executive's employment is terminated by the Company without cause, or by Executive with good reason, and Executive agrees not to engage in certain activities that might compete with the Company for a period of one year after termination, Executive will receive a payment equal to the sum of: (a) any accrued and unpaid salary, (b) any unpaid annual bonus payable for the most recently completed year, (c) Executive's annual base salary then in effect and (d) the lesser of the average of annual incentive program bonuses paid to Executive for the five prior years (or such shorter period if Executive has not been eligible to participate in the annual incentive program) or Executive's target bonus at such time. If the Company terminates Executive's employment, other than for cause, disability or death, or by Executive for good reason, the Company will also pay up to an aggregate of \$20,000 for outplacement services.

If in contemplation of or within twelve months after a Change in Control, Executive is terminated by the Company without cause, or terminates his employment with good reason, and Executive agrees not to engage in prohibited activities for a period of one year following termination, Executive will be entitled to a payment equal to two times the sum of (a) Executive's annual base salary plus (b) the higher of average of annual incentive program bonuses paid to Executive for the five prior years (or such shorter period if Executive has not been eligible to participate in the annual incentive program) or Executive's target bonus at the time of the Change in Control. In addition, for one year after such termination following a Change in Control or such longer period as may be provided by the terms of the appropriate benefit plans, the Company shall provide Executive and his family with medical, dental and life insurance benefits at least equal to those which would have been provided had Executive not been terminated, in accordance with the applicable benefit plans in effect on the Change in Control measurement date or, if more favorable, in effect generally at any time after the Change in Control measurement date with respect to other peer executives of the Company and its affiliated companies. All outstanding options to purchase shares of common stock of the Company, each outstanding restricted stock award and any other unvested equity compensation right shall be fully vested or exercisable and each such share or equity interest shall no longer be subject to a right of repurchase by the Company.

Each Agreement provides that payments and benefits under the Agreement and all other related arrangements would otherwise trigger excess parachute payment penalties under Section 280G of the

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Internal Revenue Code of 1986, then such payments and benefits shall be adjusted to maximize the net amount Executive would realize after payment of income and excise taxes.

The foregoing summary of each Agreement is qualified in its entirety by the form of Agreement attached hereto as Exhibits 10.1 and incorporated herein by reference. Each of the Agreements with the above named Executives is substantially similar.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits.

| Exhibit No. | Description   |
|-------------|---|
| 10.1        | Form of Executive Severance Agreement between the Company and each of the following executives: Charles Bramlage, John Cooper and Wesley Wheeler. |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VALEANT PHARMACEUTICALS INTERNATIONAL**  
(Registrant)

Date: June 16, 2005

By: /s/ Eileen C. Pruette  
Name: Eileen C. Pruette  
Title: Executive Vice President, General  
Counsel

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