

BARR PHARMACEUTICALS INC
Form DEFA14A
November 20, 2008

**UNITED STATES
SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934**

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

Barr Pharmaceuticals, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☐ No fee required.

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The chart reflecting payments to be made to the executive officers of Barr Pharmaceuticals, Inc. (Barr) upon termination due to change in control as set forth in a Schedule 14A filed by Barr on October 31, 2008, is to be superseded by the chart below. The table set forth below and accompanying footnotes reflect the correct amounts of such payments arising in connection with a change in control.

Potential Payments Upon Termination Due to Change in Control. The following chart sets forth the cash severance pay payable upon a qualifying termination of employment within two years of a change of control with respect to Barr's current executive officers. The values set forth reflect the total amounts payable to each executive in the event of a termination as of December 22, 2008 in connection with a change in control.

	Cash	Continuation of Medical Plans and Other Benefits(2)	Other Health, Welfare and Non Qualified Deferred Compensation Plan(3)	Excise Tax Gross-Up(4)	Total Payments(5)
	Severance				
Downey	\$ 8,972,260	\$ 45,319(6)	\$ 750		\$ 9,018,329
Wilkinson	\$ 4,187,055	\$ 45,319	\$ 85,121	\$ 1,997,952	\$ 6,315,447
Cović	\$ 1,041,393			N/A	\$ 1,041,393
McKee	\$ 2,092,603	\$ 30,213	\$ 500		\$ 2,123,316
Killion	\$ 2,005,411	\$ 2,046	\$ 500		\$ 2,007,957
Mundkur	\$ 4,187,055	\$ 33,127	\$ 750	\$ 1,642,753	\$ 5,863,685
Bogda	\$ 2,855,384	\$ 37,766	\$ 625	\$ 1,275,412	\$ 4,169,187
Sawyer	\$ 1,656,644	\$ 30,213	\$ 500		\$ 1,687,357
Greenman(7)	\$ 1,842,603	\$ 22,085	\$ 38,635	\$ 944,717	\$ 2,848,040
Kirk	\$ 1,036,795	\$ 30,213	\$ 500	\$ 500,714	\$ 1,568,222

- (1) Cash severance The cash severance amount represents base salary plus bonus plus pro-rata bonus for those with employment agreements. These values were calculated based on each executive officer's highest base salary and the higher of his or her 2008 target bonus or three year average bonus (calculated using actual bonus amounts from 2005, 2006 and 2007). These calculations include amounts payable pursuant to the Executive Officer and Management Incentive Plans. These amounts also include a prorated bonus through December 22, 2008 based on the higher of the executive's average bonus or target bonus for those executives that have employment agreements (all executive officers except for Mr. Cović).
- (2) Medical plans and life insurance The values set forth in this column are based on 2008 monthly Medical and Dental Premiums of \$1,260 for Messrs. Downey, Wilkinson, McKee, Bogda, Sawyer and Kirk, \$920 for Ms. Mundkur and Greenman and \$85 for Mr. Killion.
- (3) Other Health, Welfare, Benefit and Non Qualified Deferred Compensation Plan For Mr. Wilkinson and Ms. Greenman the \$85,121 and \$38,635, respectively, reflect accelerated vesting of employer matching contributions under the Excess 401K Plan as of June 30, 2008. As discussed above, Mr. Downey is entitled to retiree medical coverage which was not valued for purposes of this analysis. At December 31, 2007 the cash

value (not present or actuarial value) of this coverage was estimated to be \$106,611 (which includes a gross-up payment for federal, state and Medicare taxes).

The values disclosed reflect a premium for supplemental medical reimbursement insurance coverage for up to \$100,000 in medical expenses incurred by each executive per year but not otherwise covered under Barr's group medical plan. Pursuant to the policy providing such coverage, Barr is financially responsible for an aggregate amount of executive out-of-pocket medical expense claims per calendar year currently equal to \$6,875 times the number of executives insured under the program (currently approximately 50 executives). After Barr has paid this maximum aggregate annual amount, the insurer will reimburse Barr for all eligible additional executive out-of-pocket medical expense claims incurred.

- (4) Excise Tax Gross-Up Represents the estimated gross up payments to executives for termination after a Change in Control if the safe harbor amount under Section 280G of the Internal Revenue Code is exceeded. The value of unvested equity awards that will accelerate in connection with the merger are not reflected in this table, but have been taken into account in the calculation of excise tax gross up.
 - (5) The values disclosed reflect the estimated total amounts payable to each executive in the event of a termination on December 31, 2008 after a change in control, but does not include the amounts payable in respect of equity awards in connection with the merger, discussed below.
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- (6) The amount shown for Mr. Downey does not include the value of the use of an office and secretarial support.
- (7) The \$50,000 of unpaid sign-on bonus amount to be earned in July 2009 but whose payment will be accelerated were included for purposes of determining the excise gross-up, but the payment has not been included in the cash severance values shown.

In addition, some of the directors and executive officers of Barr may sell their shares of Barr stock for tax and other reasons following the filing of this proxy statement/prospectus and prior to the completion of the merger.