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Valeant, Medicis complete \$2.6B merger; Shacknai out

By Angela Gonzales

[Medicis Pharmaceutical Corp.](#) has completed its \$2.6 billion merger with Montreal-based [Valeant Pharmaceuticals International](#) today, according to an 8-K filed with the U.S. Securities and Exchange Commission.

As part of the deal closing, Medicis founder and CEO [Jonah Shacknai](#) is no longer a director of Medicis.

According to Medicis' proxy statement issued in April, if there is a change in control of Medicis and Shacknai does not stay with the new controlling company, he will receive salary and bonus totaling \$6.7 million, as well as health benefits for the rest of his life, administrative support and other equity awards totaling \$30.7 million.

The other seven directors of Medicis also are no longer directors, including [Arthur G. Altschul Jr.](#), [Spencer Davidson](#), [Stuart Diamond](#), [Peter S. Knight](#), [Michael A. Pietrangelo](#), [Philip S. Schein](#) and [Lottie H. Shackelford](#).

They won't be the only ones to go.

Plans call for [saving \\$225 million within six months](#) by cutting duplicate expenses.

During an investor call in September when the deal was announced, Valeant Chairman and CEO [Michael Pearson](#) told investors that the sales force will be smaller than the combination of Medicis' 300 reps and Valeant's 250.

"We'll be agnostic in terms of where that best person comes from," he said at the time. "We are very hopeful. They have a lot of talented people at Medicis, and we are hopeful that we will be able to convince a number of them to stay. Again, it's their choice, as well as our choice."

As part of the deal, Medicis delisted its MRX stock from the New York Stock Exchange. It last traded at \$43.98 per share when it left the stock market yesterday.

Medicis will continue to operate as a subsidiary of Valeant.

[Jason Hanson](#), Medicis' executive vice president and COO, now is executive vice president/company group chairman of Valeant, and will lead certain U.S. and international businesses and functions.

[Vince Ippolito](#), executive vice president of sales and marketing for Medicis, is senior vice president and general manager of aesthetics for Valeant. [Justin Smith](#), senior vice president of

marketing for Medicis, has been appointed senior vice president and general manager for Valeant's U.S. Rx Dermatology unit.