

Latham & Watkins Reps Boston Scientific In \$1.3B Deal

By **Carolina Bolado**

Law360, New York (March 08, 2012, 9:25 PM ET) -- Boston Scientific Corp. will pay up to \$1.3 billion to buy California-based Cameron Health Inc., strengthening its arrhythmia management portfolio with the addition of the only commercially available subcutaneous implantable cardioverter-defibrillator, the buyer said Thursday.

Narick, Mass.-based Boston Scientific said it would exercise its option to buy the privately held company with an upfront payment of \$150 million, plus a potential \$150 million additional payment upon U.S. Food and Drug Administration approval of the subcutaneous defibrillator system. It will pay up to another \$1.05 billion based on specific revenue-based milestones over the next six years, according to a statement from the company.

"With Cameron, we gain a strong, experienced team of professionals who are pioneers in this novel technology, and we are thrilled to welcome them to Boston Scientific," CEO Hank Kucheman said. "The acquisition of Cameron ... builds on Boston Scientific's commitment to introducing innovation in the [cardiac rhythm management] space and represents an important part of our strategy to generate top-line revenue and market share growth."

Conventional implantable cardioverter defibrillators require thin, insulated wires to pass through veins and into the heart, according to Boston Scientific. But Cameron's S-ICD System sits underneath the skin and does not need to be woven through the heart or blood vessels.

The device is approved in Europe and has been available in several countries there since 2009. The FDA granted Cameron expedited review status in December, and Boston Scientific said it expected approval in the first half of 2013.

"The S-ICD System was designed to eliminate the complications associated with transvenous leads, creating an important new treatment option for patients at risk of sudden cardiac arrest," Cameron President and CEO Kevin Hykes said. "We look forward to joining the Boston Scientific team, which will allow us to expand our commercialization efforts and bring this proven therapy to more patients around the world."

The deal is expected to close in the second or third quarter of 2012.

Kucheman said the S-ICD System — combined with recent launches of ICD and cardiac resynchronization therapy defibrillator products and the newly acquired Watchman left atrial appendage closure device — “will create a compelling and highly differentiated portfolio of arrhythmia management products.”

Boston Scientific acquired the Watchman device in its purchase last year of Minnesota-based Atritech Inc.

The device is designed to close the left atrial appendage in patients with atrial fibrillation who are at risk for ischemic stroke. It is the first device to be proven in a randomized clinical trial to offer an alternative to anticoagulant drugs — which are associated with an increased risk of bleeding — for patients who are prone to developing blood clots, according to the company.

Johan Brigham, Julie Scallen, Jeff Brooker, Kristen Grannis, David Kahn and Luke Bergstrom of Latham & Watkins LLP advised Boston Scientific on the deal.

--Editing by Elizabeth Bowen.

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