

TUESDAY, APRIL 8, 2014

## Latham helps \$5.6B sale of drugmaker

### *Mallinckrodt buys Anaheim-based firm client Questcor Pharmaceuticals*

By **Dominic Fracassa**  
Daily Journal Staff Writer

**A** n a h e i m - b a s e d pharmaceutical developer Questcor Pharmaceuticals Inc. tapped Latham & Watkins LLP for counsel in its \$5.6 billion sale to drugmaker Mallinckrodt Pharmaceuticals PLC, a deal announced Monday.

The combination is expected to expand Mallinckrodt's offering of specialty pharmaceuticals. Questcor's flagship drug, Acthar, is used to treat inflammatory conditions and autoimmune disorders.

Mallinckrodt, headquartered in Dublin, Ireland, received counsel from a New York-based team at Wachtell, Lipton, Rosen & Katz.

Costa Mesa partner Cary K.

Hyden led the Latham team on the deal.

Latham has been counsel to Questcor on a variety of matters over the past 18 months, Hyden said, allowing the firm to build its relationship with the company's general counsel, Michael H. Mulroy, and its CEO, Don M. Bailey.

Hyden added that Latham got the "at-bat" to proctor the deal for Questcor in part because of the firm's experience handling pharmaceutical M&A work involving so-called "Irish inversions," which allow companies to take advantage of Ireland's low corporate tax rates.

Latham has also worked extensively with another Dublin-based drugmaker, Actavis PLC, most recently handling the company's \$25 billion acquisition of Forest Laboratories Inc. in February.

"Once they realized how much expertise we had in these types of pharma inversion-related transactions, we were able to get the engagement," Hyden said.

Under the terms of the deal,

Questcor shareholders will receive \$30 per share in cash and 0.897 Mallinckrodt shares — which amounts to a total consideration of about \$86.10 per Questcor share, the companies said, a 27 percent premium over Questcor's closing stock price on Friday.

The cross-border considerations of the deal — particularly ones related to tax issues — made for one of the more complicated transactions Hyden has had a hand in structuring.

"I've practiced for 31 years, and this deal was as complex as any I've worked on — an 11 on a scale of one to 10," he said.

"We had to work through every imaginable public company M&A issue, but we had to thread the needle on a number of very nuanced Irish takeover law considerations," Hyden added.

Latham's team also included Costa Mesa partners R. Scott Shean, Michael A. Treska, Michele D. Johnson and Christopher H. Norton; counsel David L. Kuiper; Los Angeles partners Paul D.



**CARY HYDEN**

Tosetti, Laurence J. Stein and James D.C. Barrall; and San Francisco partner Peter A. Wald.

They had support from Costa Mesa associates John C. Raney, Jeffrey C. Holgate, Aneta Ferguson, Andrew Gray, Charles Anthony III and Brett C. Urig and from Los Angeles associates Changsheng Song and Michelle L.C. Carpenter.

Questcor also received counsel on Irish law from a Dublin-based firm, Matheson.

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