

# Daily Journal

MAY 13, 2015

## TOP WOMEN LAWYERS

The Daily Journal's Annual List of **100**  
Leading Women Lawyers in California

### Michele D. Johnson

‘It was a purely legal question: do insider trading laws prohibit this type of arrangement or is it perfectly fine because they are claiming to be co-bidders? They may be co-bidders but that’s not the answer under the insider trading rule.’

— Michele Johnson

insider trading laws prohibit this type of arrangement or is it perfectly fine because they are claiming to be co-bidders for Allergan? They may be co-bidders but that’s not the answer under the insider trading rule.’

As co-lead counsel for Allergan, Johnson drafted the motion for preliminary injunction that was argued in October. “The courtroom was completely packed. They had to open an adjoining courtroom for additional people to watch over closed feed.”

Allergan sought to enjoin Pershing Square from voting at the meeting if it acquired its shares through insider trading as well as supplemental disclosures from the defendants. Federal Judge David O. Carter of Santa Ana did not enjoin Pershing Square from voting at the meeting but ordered the defendants to make supplemental disclosures. Bill Ackman of Pershing Square was sued by Allergan shareholders for insider trading as a result of this order. Valeant’s bid to purchase Allergan was rejected in favor of Actavis plc’s offer. Actavis plc completed its acquisition of Allergan in March. *Allergan Inc. et al v. Valeant Pharmaceuticals International Inc. et al*, CV14-1214 (C.D. Cal., filed Aug. 1, 2014).

In April, the parties agreed to dismiss the claims and counterclaims pending before Carter, and other investor lawsuits lodged against Allergan related to the Valeant bid have been dismissed.

—Hetert-Qebu Walters



**Latham & Watkins LLP**

Costa Mesa

PRACTICE: Securities litigation

Johnson represented Allergan Inc. when it sued Valeant Pharmaceuticals Inc. and Pershing Square Capital Management in an insider trading action that garnered the attention of many within the securities industry. Allergan alleged Valeant and Pershing Square violated regulations prohibiting insider trading and failed to make certain disclosures about their partnership.

As part of Valeant’s hostile takeover attempt, Pershing Square called for a special meeting of the shareholders of Allergan to vote on removing six Allergan directors. According to Johnson, Allergan’s current board was refusing to negotiate with Valeant because they believed Valeant’s offer grossly undervalued the shares.

The lawsuit posed unique issues about the application of insider trading regulations to the arrangement between Valeant and Pershing Square. “It was a purely legal question: do