

WATSON PHARMACEUTICALS INC
 Form 4
 September 04, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BISARO PAUL

2. Issuer Name and Ticker or Trading Symbol
WATSON PHARMACEUTICALS INC [WPI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
360 MOUNT KEMBLE AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/04/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

MORRISTOWN, NJ 07960

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|----------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |
| Common Stock, par value \$0.0033 | 09/04/2007 | | A | | 42,600 (1) | A | \$ 0 42,600 |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------------|------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am Nur Sha |
| Non-Qualified Options to Purchase Common Stock <u>(2)</u> | \$ 30.66 | 09/04/2007 | | A | 127,200 | <u>(3)</u> | 09/04/2017 | Common Stock, par value \$0.0033 | 12 |
| Non-Qualified Options to Purchase Common Stock <u>(4)</u> | \$ 30.66 | 09/04/2007 | | A | 400,000 | <u>(5)</u> | 09/04/2017 | Common Stock, par value \$0.0033 | 40 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| BISARO PAUL 360 MOUNT KEMBLE AVENUE MORRISTOWN, NJ 07960 | X | | President & CEO | |

Signatures

Paul M. Bisaro 09/04/2007

 Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The restricted stock was issued pursuant to the Second Amendment and Restatement of the 2001 Incentive Award Plan of Watson Pharmaceuticals, Inc., and 50% of the shares shall vest on the second anniversary of the transaction date, and the remaining 50% of the shares shall vest on the fourth anniversary of the transaction date.
- (1) The options are to be incentive stock options to the extent permitted by law, and thereafter to be non-statutory stock options.
 - (2) The options will vest and become exercisable with respect to 25% of the shares subject thereto on each anniversary of the transaction date.
 - (3) The options are to be incentive stock options to the extent permitted by law, and thereafter to be non-statutory stock options.
 - (4) The options will vest in three (3) substantially equal annual installments commencing on the third anniversary of the transaction date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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