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UNITED STATES  
HOUSE OF REPRESENTATIVES



EDWARD R. ROYCE  
Thirty-ninth District—California

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Capital Markets and  
Government Sponsored Enterprises  
Insurance and Housing

May 27, 2014

The Honorable Mary Jo White  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Chair White:

As a senior member of the House Financial Services Committee, I wanted to share some concerns raised by the announced joint-bid by Valeant Pharmaceuticals, Inc. and Pershing Square Capital Management, L.P. for Allergan, Inc, and in particular the subsequent filing by Pershing Square and William A. Ackman with the Securities and Exchange Commission (SEC).

I strongly support a free market for corporate control, but I believe that for that free market to work and thrive it must be transparent. My primary concern is that the strategy being used in this case could make it difficult for shareholders to truly understand what is occurring. It is my understanding that Pershing Square has scheduled a shadow shareholder vote or referendum. Pershing Square controls the timing, wording, and rules, yet it is seeking an official seal of approval from the SEC for the vote.

I am unaware of any precedent for a preliminary proxy statement filed under Schedule 14A being used in this manner, and I am concerned that there are no rules in place defining how a vote will occur, how votes will be counted and how a final tally will be disclosed. The only rules that exist are those described by Mr. Ackman's hedge fund in its filing. Additionally, while the initial filing states that the vote will not be conducted under the company's bylaws and charter, it does not disclose that it is being conducted outside of Delaware state corporate law for a shareholder meeting.

Thank you for your prompt attention to this issue. I am hopeful that the SEC will perform a thorough review of the details of this filing and similar future filings. I know you share the underlying conviction that information provided to shareholders of public companies should be transparent, accurate and not misleading.

Sincerely,

A handwritten signature in blue ink that reads "Ed Royce".

ED ROYCE  
Member of Congress