

WATSON PHARMACEUTICALS INC

Form 4

March 28, 2006

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
CHAO ALLEN

(Last) (First) (Middle)

**C/O WATSON
PHARMACEUTICALS, INC., 311
BONNIE CIRCLE**

(Street)

CORONA, CA 92880

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol

**WATSON PHARMACEUTICALS
INC [WPI]**

3. Date of Earliest Transaction
(Month/Day/Year)
03/24/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Chairman, President & CEO

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock - Restricted Stock ⁽¹⁾	03/24/2006		A	48,000	A \$ 0	468,833	D
Common Stock, par value \$0.0033						883,468	I by Trust
Common Stock, par						959,083	I by Corporation

value
\$0.0033

Common
Stock, par
value
\$0.0033

1,418,661 I

by
Partnership

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

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(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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Share
Stock Options to Purchase Common Stock ⁽²⁾	\$ 28.77	03/24/2006		A		100,000		03/24/2007 ⁽³⁾	03/24/2016	Common Stock, par value \$0.0033	100,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

CHAO ALLEN
C/O WATSON PHARMACEUTICALS, INC.
311 BONNIE CIRCLE
CORONA, CA 92880

X

Chairman, President & CEO

Signatures

/s/ALLEN
CHAO

03/27/2006

**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).

(1) The restricted stock shall vest as follows: 24,000 shares shall vest on March 24, 2008 and 24,000 shares shall vest on March 24, 2010.

(2) The options are to be incentive stock options to the extent permitted by law, and thereafter to be non-statutory stock options.

(3) These stock options shall become exercisable in four equal annual installments of 25,000 options commencing on March 24, 2007.

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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