

FACET BIOTECH CORP
Form SC 13D/A
December 15, 2009

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 1)1

Facet Biotech Corporation

(Name of Issuer)

Common Stock, par value \$0.01
(Title of Class of Securities)

30303Q103
(CUSIP Number)

Elizabeth Delaney
BVF Partners L.P.
900 North Michigan Avenue
Suite 1100
Chicago, Illinois 60611
(312) 506-6500

Adam W. Finerman, Esq.
Olshan Grundman Frome Rosenzweig & Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 15, 2009
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box x.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

Biotechnology Value Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	0 SHARED VOTING POWER
	9	848,521 SOLE DISPOSITIVE POWER
	10	0 SHARED DISPOSITIVE POWER
		848,521

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

848,521

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.4%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

Biotechnology Value Fund II, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	0 SHARED VOTING POWER
	9	588,000 SOLE DISPOSITIVE POWER
	10	0 SHARED DISPOSITIVE POWER
		588,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

588,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.3%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

BVF Investments, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) x
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		2,036,000
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	0
		SHARED DISPOSITIVE POWER
		2,036,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,036,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

Investment 10, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Illinois

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	0 SHARED VOTING POWER
	9	211,000 SOLE DISPOSITIVE POWER
	10	0 SHARED DISPOSITIVE POWER
		211,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

211,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

LESS THAN 1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

BVF Partners L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) x
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		3,683,521
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	0
		SHARED DISPOSITIVE POWER
		3,683,521

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,683,521

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.7%

14 TYPE OF REPORTING PERSON

PN, IA

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

BVF Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) x
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		3,683,521
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	0
		SHARED DISPOSITIVE POWER
		3,683,521

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,683,521

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.7%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 30303Q103

1 NAME OF REPORTING PERSON

Mark N. Lampert

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	0 SHARED VOTING POWER
	9	3,683,521 SOLE DISPOSITIVE POWER
	10	0 SHARED DISPOSITIVE POWER
		3,683,521

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,683,521

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.7%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 30303Q103

The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned ("Amendment No. 1"). This Amendment No. 1 amends the Schedule 13D as specifically set forth.

Item 4. Purpose of Transaction

Item 4 is hereby amended and restated to read as follows:

The Reporting Persons are engaged in the investment business. In pursuing this business, the Reporting Persons analyze the operations, capital structure and markets of companies, including the Issuer, on a continuous basis through analysis of documentation and discussions with knowledgeable industry and market observers and with representatives of such companies.

The Reporting Persons purchased the shares of Common Stock based on the Reporting Persons' belief that the shares of Common Stock, when purchased, were undervalued and represented an attractive investment opportunity. No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon completion of any of the actions discussed herein.

On September 21, 2009, a wholly-owned subsidiary of Biogen Idec Inc. ("Biogen Idec") commenced an unsolicited tender offer for the Issuer at a price of \$14.50 per share, which the Issuer's Board of Directors unanimously rejected in a Schedule 14D-9 filing with the Securities and Exchange Commission on October 1, 2009. On December 3, 2009, Biogen Idec increased the price of its tender offer to \$17.50 per share, which the Issuer's Board of Directors unanimously rejected in an amendment to its Schedule 14D-9 filing on December 10, 2009. Biogen Idec's tender offer is set to expire on December 16, 2009 unless extended. The Reporting Persons have communicated to the Issuer that the Reporting Persons do not intend to tender their shares in the proposed offer at \$17.50 per share. The Reporting Persons do not believe the extraordinary upside potential of the Issuer is adequately reflected in the current tender offer. The Reporting Persons believe that a transaction structure, with Biogen Idec or another party, that provides for meaningful participation by the Issuer's shareholders in the future success of the Issuer's existing drug candidates could be in the interest of all parties. Depending on the specific terms, the Reporting Persons could be supportive of such a transaction.

The Reporting Persons have engaged, and may continue to engage, in discussions with the Issuer, Biogen Idec, other pharmaceutical companies and other stockholders to explore alternatives to Biogen Idec's proposed acquisition of the Issuer including, but not limited to, the sale of the Issuer under materially improved terms to Biogen Idec or another company, as well as the continued independence of the Issuer.

Item 5. Interest in Securities of the Issuer.

Item 5(a) is hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 25,067,740 Shares outstanding, which is the total number of Shares outstanding as of October 27, 2009 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 3, 2009.

As of the close of business on December 14, 2009, BVF beneficially owned 848,521 shares of Common Stock, BVF2 beneficially owned 588,000 shares Common Stock, BVLLC beneficially owned 2,036,000 shares of Common Stock and ILL10 beneficially owned 211,000 shares of Common Stock, representing percentage ownership of approximately 3.4%, 2.3%, 8.1% and less than 1%, respectively.

CUSIP NO. 30303Q103

By virtue of their relationships with BVF, BVF2, BVLLC and ILL10 discussed in further detail in Item 2, each of Partners, BVF Inc. and Mr. Lampert may be deemed to beneficially own 3,683,521 shares of Common Stock, representing percentage ownership of approximately 14.7%.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

The Reporting Persons entered into a Stockholders Agreement dated December 15, 2009 with the Issuer, which provides, among other things, (i) for the Issuer to amend its Rights Agreement (“Rights Agreement”) dated as of September 7, 2009 between the Issuer and Mellon Investor Services LLC, as Rights Agent, to permit the beneficial ownership of up to 20% of the Common Stock of the Issuer by the Reporting Persons and (ii) for so long as the Reporting Persons own in excess of 15% of the Issuer’s outstanding shares, for the Reporting Persons to vote the shares they hold in excess of 15% of the Issuer’s outstanding shares, at any stockholder vote, in either the same proportion as other stockholders vote (excluding the Reporting Persons) or as recommended by the Board, as shall be determined by the Reporting Persons. The Stockholders Agreement terminates upon the termination of the Rights Agreement. A copy of the Stockholders Agreement is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibit:

99.1 Stockholders Agreement dated as of December 15, 2009 between Facet Biotech Corporation and Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., BVF Investments, L.L.C., Investment 10, L.L.C., BVF Partners L.P., BVF Inc. and Mark N. Lampert.

CUSIP NO. 30303Q103

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 15, 2009

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert
President

INVESTMENT 10, L.L.C.

By: BVF Partners L.P., its investment manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert
President

BIOTECHNOLOGY VALUE FUND II, L.P.

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert
President

BVF PARTNERS L.P.

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert
President

BVF INVESTMENTS, L.L.C.

By: BVF Partners L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert
President

BVF INC.

By: /s/ Mark N. Lampert
Mark N. Lampert
President

/s/ Mark N. Lampert
MARK N. LAMPERT