

AKORN INC
Form 4
September 19, 2006

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

OMB APPROVAL

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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 *
KAPOOR JOHN N

(Last) (First) (Middle)

225 EAST DEERPATH ROAD, SUITE 250

(Street)

LAKE FOREST, IL 60045

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AKORN INC [AKN]

3. Date of Earliest Transaction (Month/Day/Year)
09/15/2006

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)

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)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	09/15/2006		X ⁽¹⁾		3,578,333	A	\$ 1 27,690,287	I	See footnote (2)
Common Stock	09/15/2006		F		949,160	D	\$ 3.77 26,741,127	I	See footnote (2)
Common Stock	09/15/2006		X ⁽¹⁾		211,714	A	\$ 1.1 26,952,841	I	See footnote (2)
Common Stock	09/15/2006		F		61,773	D	\$ 3.77 26,891,068	I	See footnote

Common Stock	09/15/2006	X ⁽¹⁾	880,000	A	\$ 1.1	27,771,068	I	(2) See footnote (2)
Common Stock	09/15/2006	F	256,764	D	\$ 3.77	27,514,304	I	See footnote (2)
Common Stock						402,518	D	

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 of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Warrants ⁽³⁾	\$ 1	09/15/2006		X		3,578,333	10/07/2003 10/07/2006	Common Stock	3,578,333
Warrants ⁽³⁾	\$ 1.1	09/15/2006		X		211,714	10/07/2003 10/07/2006	Common Stock	211,714
Warrants ⁽³⁾	\$ 1.1	09/15/2006		X		880,000	10/07/2003 10/07/2006	Common Stock	880,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAPOOR JOHN N 225 EAST DEERPATH ROAD SUITE 250 LAKE FOREST, IL 60045	X	X		

Signatures

/s/ Rao Akella, as
Attorney-In-Fact

09/19/2006

__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) Exempt under Rule 16b-6(b).

(2) Securities held through various limited partnerships and trusts. Dr. Kapoor disclaims beneficial ownership of such shares except to the extent of his pecuniary interest.

On October 7, 2003 various Kapoor trusts, along with other investors, consummated a recapitalization transaction involving Akorn, Inc. by purchasing all of Akorn, Inc.'s outstanding senior debt from The Northern Trust Company. In return for its contribution, the trusts received from Akorn: 107,350 shares of Series A 6% Participating Convertible Preferred Stock and warrants to purchase 3,578,333 Akorn

(3) Shares at \$1.00 per share. Additionally, the trusts made a loan to Akorn in the principal amount of \$2,117,139.03. In consideration for its loan, the trusts received warrants to purchase 211,714 Shares at \$1.10 per share. Separately, the trusts agreed to serve as guarantor for a credit facility between LaSalle National Bank Association, Akorn, Inc., and Akorn (New Jersey), Inc., for which it received warrants to purchase 880,000 Shares at \$1.10 per share.

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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