

ELMS STEVE  
Form 4  
March 03, 2008

**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 \*  
Aisling Capital II LP

2. Issuer Name and Ticker or Trading Symbol  
INTERPHARM HOLDINGS INC  
[IPA]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
88 SEVENTH AVE 30TH FL,  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/28/2008

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_X\_\_ 10% Owner  
\_\_\_\_ Other (specify below)

NEW YORK, NY 10106

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

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

(City) (State) (Zip)

**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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title
				V	(A)			
Series C-1 Convertible Preferred Stock	(2)	12/12/2008	J(5)		10,000	(2)	(2)	Common Stock
Warrant (right to buy)	(3)	12/12/2008	J(5)		1	09/11/2006	09/11/2011	Common Stock
Warrant (right to buy)	(3)	12/12/2008	J(5)	1		02/12/2008	09/11/2011	Common Stock
Series D-1 Convertible Preferred Stock	(5)	12/12/2008	J(5)	10,412		(4)	(4)	Common Stock
Convertible 12% Note Due 2009	(6)	12/12/2008	J(6)	861,826		(6)	(6)	Common Stock
Warrant (right to buy)	(6)	12/12/2008	J(6)	1		02/12/2008	09/11/2013	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Aisling Capital II LP 88 SEVENTH AVE 30TH FL NEW YORK, NY 10106		X		
AISLING CAPITAL PARTNERS, LP 888 SEVENTH AVENUE 30TH FLOOR NEW YORK, NY 10106		X		
AISLING CAPITAL PARTNERS LLC 888 SEVENTH AVENUE 30TH FLOOR NEW YORK, NY 10106		X		
ELMS STEVE 888 SEVENTH AVE 29TH FL		X		

NEW YORK, NY 10106

Purcell Dennis J  
 888 SEVENTH AVE  
 29TH FL X  
 NEW YORK, NY 10106

SCHIFF ANDREW N  
 888 SEVENTH AVE X  
 29TH FL  
 NEW YORK, NY 10106

## Signatures

/s/ Dennis  
 Purcell 03/03/2008  
 \*\*Signature of  
 Reporting Person Date

/s/ Dennis  
 Purcell 03/03/2008  
 \*\*Signature of  
 Reporting Person Date

/s/ Dennis  
 Purcell 03/03/2008  
 \*\*Signature of  
 Reporting Person Date

/s/ Steve Elms  
 02/29/2008  
 \*\*Signature of  
 Reporting Person Date

/s/ Dennis  
 Purcell 03/03/2008  
 \*\*Signature of  
 Reporting Person Date

/s/ Andrew  
 Schiff 03/03/2008  
 \*\*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) All of the securities reported herein are held for the account of Aisling Capital II, LP ("Aisling"). Aisling Capital Partners, LP, a Delaware limited partnership ("Aisling Partners"), is the general partner of Aisling. Aisling Capital Partners LLC, a Delaware limited liability company ("Aisling Partners GP"), is the general partner of Aisling Partners. Mr. Steve Elms, Mr. Dennis Purcell and Mr. Andrew Schiff are the managing members of Aisling Partners GP.

(2) The Series C-1 Convertible Preferred Stock reported was issued to Aisling on September 11, 2006 and consists of 10,000 shares with an initial stated value of \$1,000 per share. Shares of the Series C-1 Convertible Preferred Stock were initially convertible at any time, at the holder's option, into shares of common stock of the Issuer (the "Common Stock") at a conversion price of \$1.5338. The Series C-1 Convertible Preferred Stock had no expiration date.

(3) The two reported transactions involving this warrant relate to an amendment and restatement of the warrant to, among other things, reduce the exercise price from \$1.639 per share to \$0.95 per share and to remove the "Blocker" provision described in footnote 4 below.

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The amendment and restatement of the warrant results in the deemed cancellation of the "old" warrant and the acquisition of the "new" warrant. See Footnote 6 below.

- (4) The Series D-1 Convertible Preferred Stock reported consists of 10,412 shares with an initial stated value of \$1,000 per share. Shares of the Series D-1 Convertible Preferred Stock are initially convertible at any time, at the holder's option, into shares of Common Stock at a conversion price of \$0.95 per share. The Series D-1 Convertible Preferred Stock has no expiration date. Dividends on the Series D-1 Convertible Preferred Stock are payable quarterly at a rate of 8.25% of the stated value of the Series D-1 Convertible Preferred Stock and are payable, at the Issuer's option, in cash or in the form of an increase in the stated value of the Series D-1 Convertible Preferred Stock. The Series D-1 Convertible Preferred Stock does not contain the "Blocker" provision. See Footnote 6 below.

- (5) On February 13, 2007, in accordance with the terms of the Consent and Waiver Agreement, dated as of November 14, 2007, the Issuer exchanged all of Aisling's shares of Series C-1 Convertible Preferred Stock for shares of Series D-1 Convertible Preferred Stock. In the exchange, Aisling received 1.04125 shares of Series D-1 Convertible Preferred Stock for each share of Series C-1 Convertible Preferred Stock it held. In addition, simultaneously with the exchange, the Issuer amended and restated the warrant as more fully described in Footnote 3. See also Footnote 5.

- (6) On February 13, 2007, in accordance with the terms the Securities Purchase Agreement, dated as of November 14, 2007, the Issuer exchanged \$861,826 in principal amount of the Issuer's Secured 12% Notes due 2009 held by Aisling for (i) a like principal amount of the Issuer's Secured Convertible 12% Notes due 2009 (the "Convertible Notes") and (ii) a warrant to purchase 307,017 shares of the Issuer's Common Stock. The Convertible Notes are convertible into Common Stock at any time, at the holders option, at a conversion price of \$0.95 per share. Interest on the Convertible Note is payable at the Issuer's option, in cash or in the form of an increase the principal amount of the Note. The warrant is immediately exercisable at an exercise price of \$0.95 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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