

LOF PARTNERS LLC

Form 4

April 13, 2010

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
**LIFE SCIENCES OPPORTUNITIES
FUND II LP**

(Last) (First) (Middle)

**CARNEGIE HALL TOWER, 152
WEST 57TH STREET, 19TH
FLOOR**

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

IGI LABORATORIES, INC [IG]

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

03/29/2010

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	(D)	Price

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

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information contained in this form are not
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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of	5. Number	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Price
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Secur (Instr				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Series C Convertible Preferred Stock	(1) (2)	03/29/2010	P		573		(1)(2)	(1)(2)	Common Stock	(1) (2)	(1)
Series C Convertible Preferred Stock	(1) (2)	03/29/2010	P		102		(1)(2)	(1)(2)	Common Stock	(1) (2)	(1)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIFE SCIENCES OPPORTUNITIES FUND II LP CARNEGIE HALL TOWER 152 WEST 57TH STREET, 19TH FLOOR NEW YORK, NY 10019	X	X		
LIFE SCIENCES OPPORTUNITIES FUND INSTITTUTIONAL II LP CARNEGIE HALL TOWER 152 WEST 57TH STREET, 19TH FLOOR NEW YORK, NY 10019	X	X		
LOF PARTNERS LLC 600 TRAVIS, SUITE 5800 HOUSTON, TX 77002		X		
SMH CAPITAL INC. 600 TRAVIS, SUITE 5800 HOUSTON, TX 77002		X		
SANDERS MORRIS HARRIS GROUP INC 600 TRAVIS, SUITE 5800 HOUSTON, TX 77002		X		
GALE JAMES C CARNEGIE HALL TOWER 152 WEST 57TH STREET, 19TH FLOOR NEW YORK, NY 10019	X	X		

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Erony Joyce
CARNEGIE HALL TOWER
152 WEST 57TH STREET, 19TH FLOOR
NEW YORK, NY 10019

X X

BALL GEORGE L
600 TRAVIS, SUITE 5800
HOUSTON, TX 77002

X

Signatures

Life Sciences Opportunities Fund II, L.P., By: Signet Healthcare Partners, LLC, By: /s/ James C. Gale, Manager	Signature of Reporting Person	Date
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04/13/2010

Life Sciences Opportunities Fund (Institutional) II, L.P., By: Signet Healthcare Partners, LLC, By: /s/ James C. Gale, Manager

04/13/2010

Signet Healthcare Partners, LLC, By: SMH Capital Inc., By: /s/ George L. Ball, Chief Executive Officer

04/13/2010

Sanders Morris Harris Inc., By: /s/ George L. Ball, Chief Executive Officer

04/13/2010

Sanders Morris Harris Group, Inc., By: /s/ George L. Ball, Chief Executive Officer

04/13/2010

/s/ James C. Gale

04/13/2010

/s/ Joyce Erony

04/13/2010

/s/ George L. Ball

04/13/2010

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).

Each share of Series C Convertible Preferred Stock (the "Series C Preferred Stock") is convertible into shares of common stock equal to (i) 1,000 plus any accrued and unpaid dividends, divided by (ii) \$0.69 (the closing price of the Company's common stock on the date of issuance), and has no expiration date. Notwithstanding the foregoing, pursuant to the terms of the Certificate of Designation, the

(1) Series C Preferred Stock will automatically convert into shares of common stock upon the earlier of the date that (i) the closing price of the common stock shall have exceeded \$2.07 for a period of twenty-five (25) consecutive trading days immediately preceding such date and (continued in Footnote 2)

(2) (ii) as determined by the affirmative vote or consent of the holders of at least a majority of the shares of the Series C Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting. Quarterly dividends at the annual rate of 5% of the Original Issue Price, or \$1,000 per share, on each outstanding share of Series C Preferred Stock shall accrue from day to day, whether or not earned or declared, commencing on the last day of the calendar quarter in which they would otherwise be declared.

(3) These securities are owned directly by Life Sciences Opportunities Fund (Institutional) II, L.P. and indirectly by Signet Healthcare Partners, LLC ("General Partner"), the general partner of Life Sciences Opportunities Fund (Institutional) II, L.P., James C. Gale, the chief investment officer, a manager and member of the General Partner and a director of IGI Laboratories, Sanders Morris Harris Inc. ("SMH Capital"), the controlling member of the General Partner, Sanders Morris Harris Group, Inc. ("SMHG"), the parent company of

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SMH Capital, Joyce Erony, a director of IGI Laboratories and a managing director of the General Partner, and George L. Ball, a manager of the General Partner and Chief Executive Officer and a director of SMH Capital and SMHG. The General Partner, Mr. Gale, SMH Capital, SMHG, Ms. Erony and Mr. Ball disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any.

- (4) These securities are owned directly by Life Sciences Opportunities Fund II, L.P. and indirectly by the General Partner, Mr. Gale, SMH Capital, SMHG, Ms. Erony and Mr. Ball. The General Partner, Mr. Gale, SMH Capital, SMHG, Ms. Erony and Mr. Ball disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any.

Remarks:

This is a joint filing by Life Sciences Opportunities Fund (Institutional) II, L.P., Life Sciences Opportunities Fund II, L.P., the

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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