

INTERPHARM HOLDINGS INC

Form 3

November 19, 2007

FORM 3**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
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burden hours per
response... 0.5**INITIAL STATEMENT OF 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

(Last) (First) (Middle)

88 SEVENTH AVE 30TH FL, A

(Street)

NEW YORK, NY 10106

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)

11/08/2007

3. Issuer Name and Ticker or Trading Symbol

INTERPHARM HOLDINGS INC [IPA]

4. Relationship of Reporting
Person(s) to Issuer

(Check all applicable)

____ Director ____ 10% Owner

____ Officer ____X____ Other

(give title below) (specify below)

See Footnote 1

5. 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**Table I - Non-Derivative Securities Beneficially Owned**1. Title of Security
(Instr. 4)2. Amount of Securities
Beneficially Owned
(Instr. 4)3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)4. Nature of Indirect Beneficial
Ownership
(Instr. 5)

Common Stock, par value \$.01 per share

548,315

D (1) A

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

SEC 1473 (7-02)

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form displays a
currently valid OMB control number.****Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**1. Title of Derivative Security
(Instr. 4)2. Date Exercisable and
Expiration Date
(Month/Day/Year)Date Expiration
Exercisable Date3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)Title Amount or
Number of4. Conversion
or Exercise
Price of
Derivative
Security5. Ownership
Form of
Derivative
Security:
Direct (D)
or Indirect6. Nature of Indirect
Beneficial
Ownership
(Instr. 5)

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			Shares	(I) (Instr. 5)			
Series C-1 Convertible Preferred Stock	Â (2)	Â (2)	Common Stock, par value \$.01 per share	4,474,276 (4)	\$ 1.5338	D (1)	Â
Warrant	Â (3)	09/11/2011	Common Stock, par value \$.01 per share	2,281,914 (4)	\$ 1.639	D (1)	Â

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	Â	Â	Â	See Footnote 1
AISLING CAPITAL PARTNERS, LP 888 SEVENTH AVENUE 30TH FLOOR NEW YORK, NY 10106	Â	Â	Â	See Footnote 1
AISLING CAPITAL PARTNERS LLC 888 SEVENTH AVENUE 30TH FLOOR NEW YORK, NY 10106	Â	Â	Â	See Footnote 1
ELMS STEVE 888 SEVENTH AVE 29TH FL NEW YORK, NY 10106	Â	Â	Â	See Footnote 1
Purcell Dennis J AUXILIUM PHARMACEUTICALS, INC. 160 WEST GERMANTOWN PIKE NORRISTOWN, PA 19401	Â	Â	Â	See Footnote 1
SCHIFF ANDREW N PLANET ZANETT INC 135 E 57TH ST NEW YORK, NY 10022	Â	Â	Â	See Footnote 1

Signatures

/s/ Dennis
Purcell 11/15/2007

**Signature of
Reporting Person

Date

/s/ Dennis 11/15/2007

Purcell

Signature of
Reporting Person

Date

/s/ Dennis
Purcell

11/15/2007

Signature of
Reporting Person

Date

/s/ Steve Elms

11/15/2007

Signature of
Reporting Person

Date

/s/ Dennis
Purcell

11/15/2007

Signature of
Reporting Person

Date

/s/ Andrew
Schiff

11/15/2007

Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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 in this Form 3 was issued to Aisling on September 11, 2006 and consists of 10,000 shares, par value \$0.01 that were initially convertible, at the holder's option, into shares of Common Stock at a conversion price of \$1.5338. The Series C-1 Preferred Stock has no expiration date.

(3) The warrant was issued to Aisling on September 11, 2006 and was immediately exercisable.

(4) The Certificate of Designation for the Series C-1 Preferred Stock contains a blocker provision (the "Blocker") under which a holder of the Series C-1 Preferred Stock does not have the right to convert the Series C-1 Preferred Stock into Common Stock to the extent that such conversion would result in beneficial ownership by such holder of more than 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion. The Warrant contains a similar provision. As a result of the Blocker, the Reporting Persons are reporting in this Form 3 only those shares of the Common Stock that may be acquired upon the conversion of the Series C-1 Preferred Stock or the exercise of the warrant representing 9.99% of the current outstanding shares. If the Blocker were not in place, as of the date hereof, the Reporting Persons would report an additional 2,110,320 shares of Common Stock.

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Remarks:

(2)Â DennisÂ PurcellÂ isÂ signingÂ inÂ hisÂ capacityÂ asÂ SeniorÂ ManagingÂ DirectorÂ ofÂ AislingÂ CapitalÂ Partner
Â ManagingÂ MemberÂ ofÂ AislingÂ CapitalÂ Partners,Â LP,Â asÂ GeneralÂ PartnerÂ ofÂ AislingÂ CapitalÂ II,Â LP.

(3)Â DennisÂ PurcellÂ isÂ signingÂ inÂ hisÂ capacityÂ asÂ SeniorÂ ManagingÂ DirectorÂ ofÂ AislingÂ CapitalÂ Partner
Â ManagingÂ MemberÂ ofÂ AislingÂ CapitalÂ Partners,Â LP.

(4)Â DennisÂ PurcellÂ isÂ signingÂ inÂ hisÂ capacityÂ asÂ SeniorÂ ManagingÂ DirectorÂ ofÂ AislingÂ CapitalÂ Partner

OnÂ NovemberÂ 8,Â 2007,Â AislingÂ andÂ Tullis-DickersonÂ CapitalÂ FocusÂ III,Â L.P.Â ("TDÂ III")Â wereÂ grantedÂ
Â "Proxy")Â overÂ approximatelyÂ 35.7Â millionÂ sharesÂ ofÂ CommonÂ StockÂ (theÂ "ProxyÂ Shares")Â heldÂ byÂ e
Â SutariaÂ orÂ byÂ LLCsÂ establishedÂ andÂ maintainedÂ forÂ theÂ benefitÂ ofÂ theÂ SutariaÂ family.Â Â UnderÂ the
Â ofÂ aÂ designeeÂ ofÂ Aisling,Â aÂ designeeÂ ofÂ TDÂ IIIÂ andÂ PerryÂ SutariaÂ actingÂ byÂ majorityÂ vote,Â willÂ

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with respect to (i) electing or removing members of the Board of Directors of the Issuer and (ii) additions, deletions or modifications to the Issuer's by-laws. As a result, the reporting persons may be a member of a "group" with TD III and Perry Sutaria, owning more than 10% of the common stock of the Issuer. The reporting persons disclaim beneficial ownership of any securities deemed to be owned by the reporting persons. This statement shall not be deemed an admission that the reporting persons are, for any or all purposes, a member of such a group.

See Exhibit 99.1

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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