LOF PARTNERS LLC
Form 4
August 24, 2010

FORM 4

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

OMB APPROVAL

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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

(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)
08/20/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

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 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	08/20/2010		C		2,382,167	A	(1)	2,382,167	D (2)	
Common Stock	08/20/2010		C		13,310,657	A	(1)	13,310,657	D (3)	

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 (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 or Number of Shares
Series B-1 Convertible Preferred Stock	(1)	08/20/2010		C			152.844	(1)	(1)	Common Stock	2,382,1
Series B-1 Convertible Preferred Stock	(1)	08/20/2010		C			854.035	(1)	(1)	Common Stock	13,310,6

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

NEW YORK, NY 10019		
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	08/24/2010
**Signature of Reporting Person	Date
Life Sciences Opportunities Fund (Institutional) II, L.P., By: Signet Healthcare Partners, LLC, By: /s/ James C. Gale, Manager	08/24/2010
**Signature of Reporting Person	Date
Signet Healthcare Partners, LLC, By: SMH Capital Inc., By: /s/ George L. Ball, Chief Executive Officer	08/24/2010
**Signature of Reporting Person	Date
Sanders Morris Harris Group, Inc. By: /s/ George L. Ball, Chief Executive Officer	08/24/2010
**Signature of Reporting Person	Date
Sanders Morris Harris Inc., By: /s/ George L. Ball, Chief Executive Officer	08/24/2010
**Signature of Reporting Person	Date
/s/ James C. Gale	08/24/2010
**Signature of Reporting Person	Date
/s/ Joyce Erony	08/24/2010
**Signature of Reporting Person	Date
/s/ George L. Ball	08/24/2010
**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)	Pursuant to the terms of the Certificate of Designation, shares of Series B-1 Convertible Preferred Stock (the "Series B-1 Preferred Stock") automatically convert into shares of common stock upon the date that the Closing Price (as defined in the Certificate of Designation) of the common stock shall have exceeded $1.20 for a period of twenty-five (25) consecutive trading days immediately preceding such date. Specifically, shares of Series B-1 Preferred Stock convert into 14,634 shares of common stock, plus such number of shares of common stock as shall equal (x) the accrued and unpaid dividends on the Series B-1 Preferred Stock divided by (y) $0.41. On August 19, 2010, the Closing Price of the common stock was $1.29, which was the twenty-fifth day for which the Closing Price of the common stock exceeded $1.20. As of August 19, 2010, the accrued and unpaid dividends on all outstanding shares of Series B-1 Preferred Stock amounted to $392,844.49.
(2)	These securities are owned directly by Life Sciences Opportunities Fund 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, Sanders Morris Harris, Inc. ("SMH"), the controlling member of the General Partner, Sanders Morris Harris Group, Inc. ("SMHG"), the parent company of SMH, Joyce Erony, a director of IGI Laboratories, Inc. 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 and SMHG. The General Partner, Mr. Gale, SMH, SMHG, Ms. Erony and Mr. Ball disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any.

(3) These securities are owned directly by Life Sciences Opportunities Fund (Institutional) II, L.P. and indirectly by the General Partner, Mr. Gale, SMH, SMHG, Ms. Erony and Mr. Ball. The General Partner, Mr. Gale, SMH, 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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