

Edgar Filing: Aisling Capital II LP - Form SC 13G

Aisling Capital II LP  
Form SC 13G  
September 21, 2006

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No.   )\*

INTERPHARM HOLDINGS, INC.  
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE  
(Title of Class of Securities)

460588106  
(CUSIP Number)

SEPTEMBER 11, 2006  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Name of Reporting Person: Aisling Capital II, LP  
S.S. or I.R.S. Identifica-  
tion No. of Above Person  
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2. Check the Appropriate Box (a)   
if a Member of a Group (b)

3. SEC Use Only

4. Citizenship or Place of Organization Delaware

Number of Shares Beneficially Owned By Each Reporting Person	5. Sole Voting Power:	7,330,617*
	6. Shared Voting Power:	-0-
	7. Sole Dispositive Power:	7,330,617*
	8. Shared Dispositive Power:	-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person  
7,330,617\*

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9) 9.99%\*

12. Type of Reporting Person PN

\* This amount is an approximation, which includes 2,281,914 shares of common stock issuable upon the exercise of warrants and approximately 5,048,703 shares of common stock issuable upon the initial conversion of 10,000 shares of Series C-1 Convertible Preferred Stock (the "Preferred Shares"). See Item 4(a).

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1. Name of Reporting Person: Aisling Capital Partners, LP  
S.S. or I.R.S. Identification No. of Above Person

2. Check the Appropriate Box (a)   
if a Member of a Group (b)

3. SEC Use Only

4. Citizenship or Place of Organization Delaware

Number of Shares	5. Sole Voting Power:	7,330,617*
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Beneficially Owned By Each Reporting Person	6. Shared Voting Power: -0-
	7. Sole Dispositive Power: 7,330,617*
	8. Shared Dispositive Power: -0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person

7,330,617\*

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9) 9.99%

12. Type of Reporting Person PN

\* This amount is an approximation, which includes 2,281,914 shares of common stock issuable upon the exercise of warrants and approximately 5,048,703 shares of common stock issuable upon the initial conversion of the Preferred Shares. See Item 4(a).

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1. Name of Reporting Person: Aisling Capital Partners LLC  
S.S. or I.R.S. Identification No. of Above Person

2. Check the Appropriate Box if a Member of a Group (a)   
(b)

3. SEC Use Only

4. Citizenship or Place of Organization Delaware

Number of Shares Beneficially Owned By Each Reporting Person	5. Sole Voting Power: 7,330,617*
	6. Shared Voting Power: -0-
	7. Sole Dispositive Power: 7,330,617*
	8. Shared Dispositive Power: -0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person

7,330,617\*

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

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[ ]

-----  
 11. Percent of Class Represented by Amount in Row (9) 9.99%

-----  
 12. Type of Reporting Person 00  
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 \* This amount is an approximation, which includes 2,281,914 shares of common stock issuable upon the exercise of warrants and approximately 5,048,703 shares of common stock issuable upon the initial conversion of the Preferred Shares. See Item 4(a).  
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 1. Name of Reporting Person: Steve Elms  
 S.S. or I.R.S. Identification No. of Above Person

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 2. Check the Appropriate Box if a Member of a Group (a) [ ]  
 (b) [X]

-----  
 3. SEC Use Only

-----  
 4. Citizenship or Place of Organization United States

Number of Shares Beneficially Owned By Each Reporting Person	5. Sole Voting Power: -0- ----- 6. Shared Voting Power: 7,330,617* ----- 7. Sole Dispositive Power: -0- ----- 8. Shared Dispositive Power: 7,330,617*
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 9. Aggregate Amount Beneficially Owned by Each Reporting Person  
 7,330,617\*

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 10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

[ ]

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 11. Percent of Class Represented by Amount in Row (9) 9.99%

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 12. Type of Reporting Person IN  
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 \* This amount is an approximation, which includes 2,281,914 shares of common stock issuable upon the exercise of warrants and approximately 5,048,703 shares of common stock issuable upon the initial conversion of the Preferred Shares. See Item 4(a).  
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1. Name of Reporting Person: Dennis Purcell  
S.S. or I.R.S. Identifica-  
tion No. of Above Person

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2. Check the Appropriate Box (a)   
if a Member of a Group (b)

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3. SEC Use Only

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4. Citizenship or Place of Organization United States

Number of Shares	5. Sole Voting Power:	-0-
Beneficially Owned By	6. Shared Voting Power:	7,330,617*
Each	7. Sole Dispositive Power:	-0-
Reporting Person	8. Shared Dispositive Power:	7,330,617*

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9. Aggregate Amount Beneficially Owned by Each Reporting Person  
  
7,330,617\*

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10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

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11. Percent of Class Represented by Amount in Row (9) 9.99%

-----  
12. Type of Reporting Person IN

-----  
\* This amount is an approximation, which includes 2,281,914 shares of  
common stock issuable upon the exercise of warrants and approximately 5,048,703  
shares of common stock issuable upon the initial conversion of the Preferred  
Shares. See Item 4(a).

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1. Name of Reporting Person: Andrew Schiff  
S.S. or I.R.S. Identifica-  
tion No. of Above Person

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2. Check the Appropriate Box (a)

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if a Member of a Group

(b) [X]

3. SEC Use Only

4. Citizenship or Place of Organization United States

Number of Shares Beneficially Owned By Each Reporting Person	5. Sole Voting Power:	-0-
	6. Shared Voting Power:	7,330,617*
	7. Sole Dispositive Power:	-0-
	8. Shared Dispositive Power:	7,330,617*

9. Aggregate Amount Beneficially Owned by Each Reporting Person

7,330,617\*

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

[ ]

11. Percent of Class Represented by Amount in Row (9) 9.99%

12. Type of Reporting Person IN

\* This amount is an approximation, which includes 2,281,914 shares of common stock issuable upon the exercise of warrants and approximately 5,048,703 shares of common stock issuable upon the initial conversion of the Preferred Shares. See Item 4(a).

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Item 1. (a) NAME OF ISSUER

Interpharm Holdings, Inc. (the "Company").

(b) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES

75 Adams Avenue  
Hauppauge, NY 11788

Item 2. (a) NAMES OF PERSONS FILING

This Statement is being filed on behalf of each of the following persons (collectively, the "Reporting Persons")

(i) Aisling Capital II, LP, a Delaware limited partnership ("Aisling");

(ii) Aisling Capital Partners, LP, a Delaware limited

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partnership ("Aisling Partners" and general partner of Aisling);

- (iii) Aisling Capital Partners LLC, a Delaware limited liability company ("Aisling Partners GP" and general partner of Aisling Partners);
- (iv) Mr. Steve Elms ("Mr. Elms" and a managing member of Aisling Partners GP);
- (v) Mr. Dennis Purcell ("Mr. Purcell" and a managing member of Aisling Partners GP); and
- (vi) Mr. Andrew Schiff ("Mr. Schiff" and a managing member of Aisling Partners GP);

(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE

The address of the principal business offices of each of the Reporting Persons is 888 Seventh Avenue, 30th Floor, New York, NY 10106.

(c) CITIZENSHIP

- (i) Aisling - a Delaware limited partnership
- (ii) Aisling Partners - a Delaware limited partnership
- (iii) Aisling Partners GP - a Delaware limited liability company
- (iv) Mr. Elms - United States
- (v) Mr. Purcell - United States
- (vi) Mr. Schiff - United States

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(d) TITLE OF CLASS OF SECURITIES

Common Stock, par value \$0.01 per share (the "Common Stock" or "Shares")

(e) CUSIP NUMBER

460588106

Item 3. This statement is not being filed pursuant to either Rule 13d-1(b) or 13d-2(b) or (c).

Item 4. OWNERSHIP.

(a) AMOUNT BENEFICIALLY OWNED:

Each of the Reporting Persons may be deemed to beneficially own an aggregate of approximately 7,330,617 Shares, which

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includes 2,281,914 Shares issuable upon the exercise of warrants and approximately 5,048,703 Shares issuable upon the initial conversion of the Preferred Shares. The certificate of designations of the Preferred Shares provides that the holder of the Preferred Shares does not have the right to convert the Preferred Shares into Shares to the extent that such conversion would result in beneficial ownership by the holder of more than 9.99% of the number of Shares outstanding immediately after giving effect to such conversion. As a result of this provision, the Reporting Persons are reporting herein their beneficial ownership of the Shares representing 9.99% of the current outstanding Shares. If there was no such provision, as of the date hereof, the Reporting Persons would be able to own an additional 1,449,867 Shares issuable upon the initial conversion of the Preferred Shares held for the account of Aisling.

(b) PERCENTAGE OWNED:

Based on calculations made in accordance with Rule 13d-3(d), and there being 64,599,066 Shares outstanding as of September 11, 2006 each of the Reporting Persons may be deemed to beneficially own approximately 9.99% of the outstanding Common Stock.

(c) NUMBER OF SHARES AS TO WHICH SUCH PERSON HAS:

(i) Each of Aisling, Aisling Partners and Aisling Partners GP may be deemed to have sole power to direct the voting and disposition of the 7,330,617 Shares beneficially owned by Aisling.

(ii) By virtue of the relationships between and among the Reporting Persons as described in Item 2, each of the

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Reporting Persons, other than Aisling, Aisling Partners and Aisling Partners GP, may be deemed to share the power to direct the voting and disposition of the 7,330,617 Shares beneficially owned by Aisling.

Item 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

Not applicable.

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

The partners of Aisling have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of Aisling in accordance with their ownership interests in Aisling.

Item 7. IDENTIFICATION AND CLASSIFICATION OF SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

Not applicable.



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Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Not applicable.

Item 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

Item 10. CERTIFICATION

(b) The following certification shall be included if the statement is filed pursuant to ss.240.13d-1(c):

By signing below we certify that, to the best of our knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated as of September 21, 2006

AISLING CAPITAL II, LP

By: Aisling Capital Partners, LP  
General Partner

By: Aisling Capital Partners LLC  
Managing Member

By: /s/ Adele Kittredge Murray

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Name: Adele Kittredge Murray  
Title: Secretary

AISLING CAPITAL PARTNERS, LP

By: Aisling Capital Partners LLC  
Managing Member

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By: /s/ Adele Kittredge Murray  
-----  
Name: Adele Kittredge Murray  
Title: Secretary

AISLING CAPITAL PARTNERS LLC

By: /s/ Adele Kittredge Murray  
-----  
Name: Adele Kittredge Murray  
Title: Secretary

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/s/ Steve Elms  
-----  
Steve Elms

/s/ Dennis Purcell  
-----  
Dennis Purcell

/s/ Andrew Schiff  
-----  
Andrew Schiff

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EXHIBIT INDEX

Exhibit 1. Joint Filing Agreement as required by Rule 13d-1(k) (1) under the Securities Exchange Act of 1934, as amended.