

AKORN INC
Form 4
January 18, 2006

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 *
KAPOOR JOHN N

(Last) (First) (Middle)

225 EAST DEERPATH ROAD, SUITE 250

(Street)

LAKE FOREST, IL 60045

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AKORN INC [AKN]

3. Date of Earliest Transaction (Month/Day/Year)
01/13/2006

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	(A) or (D)	Price
Common Stock	01/13/2006		C(1)		16,382,297	A	\$ 0.75
					(3)		
Common Stock					39,316	D	
Common Stock					3,380,684	I	
Common Stock					63,600	I	

See footnote (2)

See footnote (5)

Children (5)

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

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(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 Underlying Security (Instr. 3 and 4)
Series A 6.0% Participating Convertible Preferred Stock	\$ 0.75 ⁽¹⁾	01/13/2006		C ⁽¹⁾	107,350	10/07/2003 10/31/2011 ⁽⁴⁾	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAPOOR JOHN N 225 EAST DEERPATH ROAD SUITE 250 LAKE FOREST, IL 60045	X	X		

Signatures

/s/ John N. Kapoor
Date: 01/18/2006

**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).

In accordance with the issuer's restated articles of incorporation, all outstanding shares of Series A preferred stock immediately and automatically converted into shares of common stock on the day after the closing price per share of the common stock exceeded \$4.00 for twenty consecutive trading days. This event occurred on January 12, 2006. Consequently, all outstanding shares of Series A preferred stock automatically converted into shares of common stock on January 13, 2006 with a conversion price of \$0.75 based on the stated value per share of the Series A preferred stock (\$100.00). This conversion is exempt under Rule 16b-3(d) and Rule 16b-6(b).

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- (2) Held by the John N. Kapoor Trust dated September 20, 1989 of which John N. Kapoor is trustee and sole beneficiary.
- (3) Includes 2,068,964 shares of common stock paid in kind towards accrued dividends on the Series A preferred stock.
- (4) Mandatory Redemption on this date.
- (5) Common stock held in various trusts and limited partnership's; reporting person disclaims beneficial ownership except to the extent of his pecuniary interest.

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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