

NANOGEN INC
Form SC 13G
January 03, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934

NANOGEN, INC.

(Name of Issuer)
Common Stock, \$.001 par value

(Title of Class Securities)
630075109

(CUSIP Number)
David J. Allen, Esquire, 290 South County Farm Rd., Third
Floor, Wheaton, IL 60187-4526 (630) 588-7200

(Name, Address and Telephone Number of Person Authorized to
Receive Notice and Communications)
December 31, 2004

(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)
/X/ 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).

SCHEDULE 13G
CUSIP NO. 630075109 PAGE 2 OF 7 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Grace Brothers, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See
Instructions)
(a) / /

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(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Illinois Limited Partnership

	5	SOLE VOTING POWER
NUMBER OF	0	
SHARES		
BENEFICIALLY	6	SHARED VOTING POWER
OWNED BY	2,090,463	SHARES
EACH		
REPORTING	7	SOLE DISPOSITIVE POWER
PERSON	0	
WITH	8	SHARED DISPOSITIVE POWER
	2,090,463	SHARES

9 AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING
PERSON
2,090,463 SHARES

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES / /

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
4.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
PN

SCHEDULE 13G
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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Spurgeon Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See
Instructions)
(a) / /
(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Illinois Limited Partnership

	5	SOLE VOTING POWER
NUMBER OF	0	
SHARES		
BENEFICIALLY	6	SHARED VOTING POWER
OWNED BY	2,090,463	SHARES
EACH		
REPORTING	7	SOLE DISPOSITIVE POWER
PERSON	0	
WITH	8	SHARED DISPOSITIVE POWER
	2,090,463	SHARES

9 AGGREGATE AMOUNT BENEFICIALLY

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OWNED BY EACH REPORTING
PERSON
2,090,463 SHARES

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES / /

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
4.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
PN

SCHEDULE 13G
CUSIP NO. 630075109 PAGE 4 OF 7 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Bradford T. Whitmore

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See
Instructions)
(a) / /
(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Illinois Limited Partnership

NUMBER OF SHARES	5 SOLE VOTING POWER 514,966 SHARES
BENEFICIALLY OWNED BY EACH REPORTING PERSON	6 SHARED VOTING POWER 2,090,463 SHARES
WITH	7 SOLE DISPOSITIVE POWER 514,966 SHARES
	8 SHARED DISPOSITIVE POWER 2,090,463 SHARES

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING
PERSON
2,605,429 SHARES

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES / /

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
PN

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Item 1.

(a) Name of Issuer
Nanogen, Inc.

(b) Address of Issuer's Principal Executive Offices

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10398 Pacific Center Court, San Diego, CA 92121

Item 2.

(a) Name of Person Filing

The statement is filed by Grace Brothers, Ltd., an Illinois limited partnership ("Grace"). Bradford T. Whitmore ("Whitmore") and Spurgeon Corporation ("Spurgeon") are the general partners of Grace.

(b) Address of Principal Business Office or, if none, Residence

The business address of Grace and Whitmore is 1560 Sherman Avenue, Suite 900, Evanston, IL 60201. The business of Spurgeon is 290 South County Farm Road, Third Floor, Wheaton, Illinois 60187.

(c) Citizenship

United States

(d) Title of Class of Securities

Common Stock, \$.001 par value

(e) CUSIP Number

630075109

Item 3. If this statement is filed pursuant to Sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);

(c) Insurance company as defined in section 3 (a)(19) of the Act (15 U.S.C. 78c);

(d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);

(e) An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);

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(f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);

(g) A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);

(h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) Group, in accordance with Section 240.13d.-1(b)(1)(ii)(J).

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Item 4. Ownership

(a) Amount beneficially owned
2,605,429

(b) Percent of class
5.5%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote
Whitmore: 514,966

(ii) Shared power to vote or to direct the vote
Grace: 2,090,463 (with Whitmore and Spurgeon)

(iii) Sole power to dispose or to direct the disposition
of
Whitmore: 514,966

(iv) Shared power to dispose or to direct the disposition
of
Grace: 2,090,463 (with Whitmore and Spurgeon)

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

No other person is known to have the right to receive or
the power to direct the receipt of dividends from, or the
proceeds from the sale of, such securities.

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Item 7. Identification and Classification of the
Subsidiary Which Acquired the Security Being Reported on By
the Parent Holding Company

Reporting person is not a parent holding company.

Item 8. Identification and Classification of Members of
the Group

Reporting person is not a member of a group.

Item 9. Notice of Dissolution of Group

Reporting person is not filing notice of dissolution of
a group.

Item 10. Certification

By signing below Grace Brothers, Ltd. certifies that, to
the best of my knowledge and belief, the securities
referred to above were acquired and are held in the
ordinary course of business and 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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SIGNATURE

After reasonable inquiry and to the best of my knowledge and Belief, I certify that the information set forth in this Statement is true, complete and correct.

January 3, 2005

Date

Grace Brothers, Ltd.

by: /s/ Bradford T. Whitmore

Signature

General Partner

Title

Spurgeon Corporation

by: /s/ Jerald A. Trannel

Signature

General Partner

Title

Bradford T. Whitmore

by: /s/ Bradford T. Whitmore

Signature