

INTERPHARM HOLDINGS INC  
 Form 4  
 February 29, 2008

**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 \*  
 TULLIS DICKERSON CAPITAL FOCUS III, L.P.

2. Issuer Name and Ticker or Trading Symbol  
 INTERPHARM HOLDINGS INC [IPA]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 TWO GREENWICH PLAZA, 4TH FLOOR  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/28/2008

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 \_\_\_X\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)

GREENWICH, CT 06830

4. 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

(City) (State) (Zip)

**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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date	7. Title Underly
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D)		(Month/Day/Year)		(Instr. 3)
				(Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	
			Code	V	(A)	(D)		
Warrants	\$ 1.639	02/28/2008	J <sup>(1)</sup>			2,281,914	05/26/2006 05/26/2011	Comm Stoc
Series B-1 Convertible Preferred Stock	\$ 1.5338	02/28/2008	J <sup>(1)</sup>			10,000	05/26/2006 <sup>(2)</sup>	Comm Stoc
New Warrants	\$ 0.95	02/28/2008	J <sup>(1)</sup>		2,281,914		02/28/2008 02/28/2013	Comm Stoc
Series D-1 Convertible Preferred Stock	\$ 0.95	02/28/2008	J <sup>(1)</sup>		10,413		02/28/2008 <sup>(5)</sup>	Comm Stoc
Convertible Notes	\$ 0.95	02/28/2008	J <sup>(6)</sup>		877,194		02/28/2008 <sup>(7)</sup>	Comm Stoc
Note Warrants	\$ 0.95	02/28/2008	J <sup>(6)</sup>		307,017		02/28/2008 02/28/2013	Comm Stoc

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TULLIS DICKERSON CAPITAL FOCUS III, L.P. TWO GREENWICH PLAZA, 4TH FLOOR GREENWICH, CT 06830		X		
NEUSCHELER JOAN P 2 GREENWICH PLAZA, 4TH FLOOR GREENWICH, CT 06830	X	X		
TULLIS JAMES L L 2 GREENWICH PLAZA, 4TH FLOOR GREENWICH, CT 06830		X		
Dickerson Thomas TWO GREENWICH PLAZA 4TH FLOOR GREENWICH, CT 06830		X		
		X		

Hohnke Lyle  
TWO GREENWICH PLAZA 4TH FLOOR  
GREENWICH, CT 06830

Buono Timothy  
TWO GREENWICH PLAZA 4TH FLOOR  
GREENWICH, CT 06830

X

## Signatures

Tullis-Dickerson Capital Focus III, L.P., By: Tullis-Dickerson Capital Focus III, L.L.C., Its:  
General Partner, By: /s/ Joan P. Neuscheler, Principal

02/29/2008

\_\_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).

Pursuant to an agreement among Interpharm Holdings Inc. (the "Issuer"), Capital Focus III and certain other parties, on February 28, 2008, the Issuer (i) exchanged the Series B-1 Preferred Stock held by Capital Focus III, for new shares of the Issuer's Series D-1 Convertible Preferred Stock, par value \$0.01, which Series D-1 Preferred Stock is convertible into the Common Stock pursuant to the

(1) terms of the Certificate of Designations, Preferences and Rights of Series D-1 Convertible Preferred Stock of the Issuer (the "Series D-1 COD"); and (ii) Capital Focus III exchanged the Warrant previously held by it for a new warrant (the "New Warrants") to purchase 2,281,914 shares of Common Stock at an exercise price of \$0.95 per share. Capital Focus III received 1.04125 shares of Series D-1 Preferred Stock for each exchanged share of their respective Series B-1 Preferred Stock.

(2) The Series B-1 Convertible Preferred Stock has no expiration date.

Tullis-Dickerson Partners III, L.L.C. ("Partners III"), is the sole general partner of Tullis-Dickerson Capital Focus III, L.P. ("Capital Focus III"). Joan P. Neuscheler ("Neuscheler"), James L. L. Tullis ("Tullis"), Thomas P. Dickerson ("Dickerson"), Lyle A. Hohnke ("Hohnke") and Timothy M. Buono ("Buono" and together with Capital Focus III, Partners III, Neuscheler, Tullis, Dickerson and

(3) Hohnke, the "Reporting Persons") share voting and/or dispositive power over all shares owned by the above entities. The Reporting Persons disclaim beneficial ownership of the shares of Common Stock beneficially owned except to the extent of their pecuniary interests therein and this report shall not be deemed an admission that any of Partners III, Neuscheler, Tullis, Dickerson, Hohnke or Buono is the beneficial owner of such securities for purposes of Section 16 or for any other purposes.

(4) Capital Focus III paid \$1,000 for each unit consisting of one share of Series B-1 Convertible Preferred Stock and 228.1914 Warrants.

(5) The Series D-1 Convertible Preferred Stock has no expiration date.

Pursuant to an agreement (the "Note Purchase Agreement") among the Issuer, Capital Focus III and certain other purchasers (together, the "Purchasers"), the Issuer sold to Capital Focus III, \$833,334 in aggregate principal amount of the Issuer's Secured 12% Notes due 2009 (the "Non-Convertible Notes"). Pursuant to the terms of the Note Purchase Agreement, on February 28, 2008 the Issuer exchanged the

(6) Non-Convertible Notes of Capital Focus III for (i) \$833,334 in aggregate principal amount of the Issuer's Secured Convertible 12% Notes due 2009 (the "Convertible Notes"), which notes are convertible into shares of Common Stock at a conversion price of \$0.95 per share and (ii) warrants (the "Note Warrants") to purchase an aggregate of 307,017 shares of Common Stock at an exercise price of \$0.95 per share.

(7) October 1, 2009, provided in the event the Issuer's senior credit facility is amended, refinanced or extended such that the maturity date of the senior credit facility is later than February 1, 2011, the maturity of the Convertible Notes shall be extended to October 1, 2010.

### Remarks:

Capital Focus III has designated Neuscheler to serve on the Issuer's Board.

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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