

THERMAGE INC
Form 4
November 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
ESSEX WOODLANDS HEALTH VENTURES FUND V LP

(Last) (First) (Middle)

21 WATERWAY AVENUE, SUITE 225

(Street)

THE WOODLANDS, TX 77380

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
THERMAGE INC [THRM]

3. Date of Earliest Transaction (Month/Day/Year)
11/15/2006

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 Ownership (Instr. 4)
			Code V	Amount	(A) or (D) Price		
Common Stock	11/15/2006		C	1,604,996	A <u>1</u> 1,675,221	D <u>2</u>	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: THERMAGE INC - Form 4

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)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Series C Convertible Preferred Stock Warrant (right to buy)	\$ 4.5	11/15/2006		X		88,889		(3)	03/12/2009	Common Stock
Series C Convertible Preferred Stock	(5) (7)	11/15/2006		X		88,889		(3)	(1)	Common Stock
Series C Convertible Preferred Stock	(5) (7)	11/15/2006		F		60,637		(3)	(1)	Common Stock
Series C Convertible Preferred Stock Warrant (right to buy)	\$ 4.5	11/15/2006		X		66,667		(3)	05/29/2009	Common Stock
Series C Convertible Preferred Stock	(6) (7)	11/15/2006		X		66,667		(3)	(1)	Common Stock
Series C Convertible Preferred Stock	(6) (7)	11/15/2006		F		45,478		(3)	(1)	Common Stock
Series C Convertible Preferred Stock	(8)	11/15/2006		C		1,604,996		(3)	(1)	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

ESSEX WOODLANDS HEALTH VENTURES FUND V LP
 21 WATERWAY AVENUE X
 SUITE 225
 THE WOODLANDS, TX 77380

ESSEX WOODLANDS HEALTH VENTURES FUND V LLC
 21 WATERWAY AVENUE X
 SUITE 225
 THE WOODLANDS, TX 77380

Signatures

/s/ Martin P. Sutter, Managing Director 11/17/2006

__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).
- (1) Not applicable.
 The reported securities are owned directly by Essex Woodlands Health Ventures Fund V, L.P. and indirectly by Essex Woodlands Health Ventures V, L.L.C., as general partner of Essex Woodlands Health Ventures Fund V, L.P. Essex Woodlands Health Ventures V, L.L.C. disclaims beneficial ownership of these shares except to the extent of its pecuniary interest therein.
- (2) Immediately.
- (3) Following all transactions reported hereunder, the reporting entities do not own any Warrants to purchase shares of Series C Convertible Preferred Stock and do not own any shares of Series C Convertible Preferred Stock.
 Pursuant to the terms of the Warrant, upon surrender of the Warrant to purchase 88,889 shares of Series C Convertible Preferred Stock, the Issuer delivered to Essex Woodlands Health Ventures Fund V, L.P. ("Essex") (without payment by Essex of any exercise price or any cash or other consideration) 28,252 shares of Series C Convertible Preferred Stock, which number of shares is equal to the quotient obtained by dividing (X) the value of the warrant on November 14, 2006 (the "Exercise Date"), which per share value was determined by subtracting (A) the aggregate exercise price of the warrant shares immediately prior to the exercise of the warrant using an exercise price of \$4.50 per share from (B) the aggregate fair market value of the warrant shares issuable upon exercise of the warrant on the Exercise Date using a fair market value price of \$6.5967 per share, by (Y) \$6.5967, the fair market value of one share of the Issuer's Series C Convertible Preferred Stock on the Exercise Date.
- (4) Pursuant to the terms of the Warrant, upon surrender of the Warrant to purchase 66,667 shares of Series C Convertible Preferred Stock, the Issuer delivered to Essex Woodlands Health Ventures Fund V, L.P. ("Essex") (without payment by Essex of any exercise price or any cash or other consideration) 21,189 shares of Series C Convertible Preferred Stock, which number of shares is equal to the quotient obtained by dividing (X) the value of the warrant on November 14, 2006 (the "Exercise Date"), which per share value was determined by subtracting (A) the aggregate exercise price of the warrant shares immediately prior to the exercise of the warrant using an exercise price of \$4.50 per share from (B) the aggregate fair market value of the warrant shares issuable upon exercise of the warrant on the Exercise Date using a fair market value price of \$6.5967 per share, by (Y) \$6.5967, the fair market value of one share of the Issuer's Series C Convertible Preferred Stock on the Exercise Date.
- (5) Per the terms of the Warrants, the fair market value price of \$6.5967 as used in the net exercise calculations reported on this Form 4, was calculated by averaging the closing prices of the common stock of the Issuer as reported on the Nasdaq stock exchange for the trading dates November 10, 2006 through and including November 14, 2006.
- (6) 1-for-1.
- (7) 1-for-1.
- (8) 1-for-1.

Remarks:

The reporting entities ceased to be 10% owners on November 15, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Edgar Filing: THERMAGE INC - Form 4

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.