

THERMAGE INC
Form 4
November 17, 2006

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 *
Shaffer Gary

(Last) (First) (Middle)

2710 SAND HILL ROAD, SUITE 100

(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
11/10/2006

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 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 | 11/10/2006 | | P | V | 92,196 ⁽⁶⁾ | A | \$ 7 | 92,196 ⁽⁷⁾ | I ⁽²⁾ | By Morgenthaler Venture Partners V, L.P. |
| Common Stock | 11/10/2006 | | P | V | 48,253 ⁽⁶⁾ | A | \$ 7 | 48,253 ⁽⁸⁾ | I ⁽³⁾ | By Morgenthaler Partners VII, L.P. |
| Common Stock | 11/15/2006 | | C | V | 1,798,741 | A | <u>11</u> | 1,890,937 ⁽⁷⁾ | I ⁽²⁾ | By Morgenthaler Venture |

| | | | | | | | | | | | |
|--------------|------------|---|---|---------|---|---|---------|-----|---|-----|--|
| Common Stock | 11/15/2006 | C | V | 941,413 | A | Ⓛ | 989,666 | (8) | I | (3) | Partners V, L.P. By Morgenthaler Partners VII, L.P. |
|--------------|------------|---|---|---------|---|---|---------|-----|---|-----|--|

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.

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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 Amount of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Series B Convertible Preferred Stock | (4) | 11/15/2006 | | C | V | 1,132,075 | (5) (1) | Common Stock | 1,132,075 |
| Series C Convertible Preferred Stock | (4) | 11/15/2006 | | C | V | 666,666 | (5) (1) | Common Stock | 666,666 |
| Series C Convertible Preferred Stock | (4) | 11/15/2006 | | C | V | 941,413 | (5) (1) | Common Stock | 941,413 |
| Director Stock Options (right to buy) | (9) | | | | | (9) (9) | (9) (9) | Common Stock | 40,000 |

Reporting Owners

| | |
|--------------------------------|---------------|
| Reporting Owner Name / Address | Relationships |
|--------------------------------|---------------|

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Director 10% Owner Officer Other

Shaffer Gary
2710 SAND HILL ROAD
SUITE 100
MENLO PARK, CA 94025

X

Signatures

/s/ Gary Shaffer 11/16/2006

**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 Morgenthaler Venture Partners V, L.P. and indirectly by Morgenthaler Management Partners V, LLC as general partner of Morgenthaler Venture Partners V, L.P. Mr. Shaffer shares voting and investment control over all securities held by Morgenthaler Venture Partners V, L.P. and Morgenthaler Management Partners V, LLC. Mr. Shaffer disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (2) The reported securities are owned directly by Morgenthaler Partners VII, L.P. and indirectly by Morgenthaler Management Partners VII, LLC as general partner of Morgenthaler Partners VII, L.P. Mr. Shaffer shares voting and investment control over all securities held by Morgenthaler Partners VII, L.P. and Morgenthaler Management Partners VII, LLC. Mr. Shaffer disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (3) 1-for-1.
- (4) Immediately.
- (5) These shares were purchased from the underwriters as provided for in the Issuer's prospectus dated November 9, 2006.
- (6) Following all transactions reported hereunder, Mr. Shaffer indirectly holds an aggregate of 1,890,937 shares of common stock by Morgenthaler Venture Partners V, L.P.
- (7) Following all transactions reported hereunder, Mr. Shaffer indirectly holds an aggregate of 989,666 shares of common stock by Morgenthaler Partners VII, L.P.
- (8) Immediately prior to Mr. Shaffer's resignation as a director of the Issuer, he owned stock options representing a right to purchase an aggregate total of 40,000 shares of the Issuer's common stock, at exercises prices ranging from \$0.45 to \$3.00 per share.
- (9)

Remarks:

Mr. Shaffer ceased to be a director as of November 15, 2006. This Form 4 is filed for the sole purpose of notifying the public

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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