

CRITICAL THERAPEUTICS INC
Form 4
November 04, 2008

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 *
Collard Craig A

2. Issuer Name and Ticker or Trading Symbol
CRITICAL THERAPEUTICS INC
[CRTX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/31/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

C/O CORNERSTONE THERAPEUTICS INC., 2000 REGENCY PARKWAY, SUITE 255

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

CARY, NC 27518

(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 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)
				(A) or (D)	Price		
Common Stock	10/31/2008		A	3,202,225	A ① 3,202,225	I	By Cornerstone BioPharma Holdings, Ltd.
Common Stock	10/31/2008		A	1,443,913	A ② 4,646,138	I	By Carolina Pharmaceuticals Ltd. ③

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 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
Option to Purchase Common Stock (Right to Buy)	\$ 0.43	10/31/2008		A	11,904	10/31/2008	08/01/2015	Common Stock	11,904
Option to Purchase Common Stock (Right to Buy)	\$ 1.77	10/31/2008		A	238,083	<u>(5)</u>	03/16/2017	Common Stock	238,083
Option to Purchase Common Stock (Right to Buy)	\$ 3.9	10/31/2008		A	35,712	<u>(7)</u>	10/31/2018	Common Stock	35,712

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Collard Craig A C/O CORNERSTONE THERAPEUTICS INC. 2000 REGENCY PARKWAY, SUITE 255 CARY, NC 27518	X	X	President and CEO	

Signatures

/s/ David Price, attorney in fact for Craig A. Collard pursuant to a power of attorney

11/03/2008

__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).
- (1) Received in exchange for 13,450,000 shares of Cornerstone BioPharma Holdings, Inc. ("CBPHI") common stock in connection with the merger of Neptune Acquisition Corp., a wholly owned subsidiary of Critical Therapeutics, Inc., into CBPHI (the "Merger") based on an exchange ratio of 0.2380837.
 - (2) Received in exchange for 6,064,731 shares of CBPHI common stock in connection with the Merger based on an exchange ratio of 0.2380837.
The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
 - (4) Received in the Merger in exchange for stock options to acquire 50,000 shares of CBPHI common stock for \$0.10 per share based on an exchange ratio of 0.2380837.
 - (5) The vesting schedule for this option award is 25% on March 16, 2008, 25% on March 16, 2009, 25% on March 16, 2010, and 25% on March 16, 2011.
 - (6) Received in the Merger in exchange for stock options to acquire 1,000,000 shares of CBPHI common stock for \$0.42 per share based on an exchange ratio of 0.2380837.
 - (7) The vesting schedule for this option award is 25% on March 15, 2009, 25% on March 15, 2010, 25% on March 15, 2011, and 25% on March 15, 2012.
 - (8) Received in the Merger in exchange for stock options to acquire 150,000 shares of CBPHI common stock for \$0.93 per share based on an exchange ratio of 0.2380837.

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