

PATHEON INC
Form 4
March 12, 2014

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 *
Garofolo Paul M

(Last) (First) (Middle)
4721 EMPEROR BLVD, SUITE 200
(Street)

DURHAM, NC 27703

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PATHEON INC [PTI]

3. Date of Earliest Transaction
(Month/Day/Year)
03/11/2014

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)
EVP PDS Global Bus Ops

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 (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 Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | | | | |
|--------------------------------------|------------------------------|------------------|------------|--|-----|---------|---------------------------|-----------------|--------------------------|-----------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Am Nu Sha |
| Employee Stock Option (right to buy) | \$ 3.75 ⁽¹⁾ | 03/11/2014 | D | | | 75,000 | 05/15/2011 ⁽⁵⁾ | 06/19/2015 | Restricted Voting Shares | 75 |
| Employee Stock Option (right to buy) | \$ 2.32 ⁽¹⁾ | 03/11/2014 | D | | | 50,000 | 10/26/2012 ⁽⁵⁾ | 10/26/2016 | Restricted Voting Shares | 50 |
| Employee Stock Option (right to buy) | \$ 2.33 ⁽¹⁾ | 03/11/2014 | D | | | 90,000 | ⁽²⁾ (5) | 03/16/2020 | Restricted Voting Shares | 90 |
| Employee Stock Option (right to buy) | \$ 2.34 ⁽¹⁾ | 03/11/2014 | D | | | 132,000 | ⁽³⁾ (5) | 06/14/2020 | Restricted Voting Shares | 132 |
| Employee Stock Option (right to buy) | \$ 1.85 ⁽¹⁾ | 03/11/2014 | D | | | 150,000 | ⁽⁴⁾ (5) | 06/17/2022 | Restricted Voting Shares | 150 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Garofolo Paul M 4721 EMPEROR BLVD SUITE 200 DURHAM, NC 27703 | | | EVP PDS Global Bus Ops | |

Signatures

/s/ Susan Downs,
Attorney-in-fact

03/12/2014

**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) The exercise price was converted from Canadian dollars based on the March 10, 2014 closing rate of exchange of 1.1105 Canadian dollars per U.S. dollars as quoted by Reuters. The actual exercise price is the Canadian dollar amount regardless of the exchange rate on the date of exercise.
 - (2) The option vests in five equal annual installments on March 17, 2011, March 17, 2012, March 17, 2013, March 17, 2014 and March 17, 2015.
 - (3) The option vests in five equal annual installments on June 15, 2011, June 15, 2012, June 15, 2013, June 15, 2014, and June 15, 2015.
 - (4) The options may be exercised, in whole or in part, at any time and from time to time, on or after the earlier of: the achievement by Patheon Inc. of US\$175,000,000 adjusted EBITDA during any fiscal year ending after the date of grant until expiry; or on or after June 18, 2017 until expiry.
 - (5) Pursuant to the Arrangement Agreement (the "Agreement") by and between Patheon Inc. and JLL/Delta Patheon Holdings, L.P., dated as of November 18, 2013, on the effective date of the arrangement contemplated by the Agreement, this option was cancelled in exchange for a cash payment equal to the product of (i) the excess of US\$9.32 over the exercise price per share of the option and (ii) the total number of shares underlying the option.

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.