

AVALLONE MICHAEL N

Form 4

March 20, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
AVALLONE MICHAEL N

2. Issuer Name **and** Ticker or Trading
Symbol
ADVANCED MAGNETICS INC
[AVM]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
03/16/2006

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)

VP - Finance and CFO

C/O ADVANCED MAGNETICS,
INC., 61 MOONEY STREET

(Street)

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

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

CAMBRIDGE, MA 02138

(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)
			Code	V	Amount (A) or (D)	Price	
Common Stock	03/16/2006		M		4,000	A \$ 14.7	4,000 D
Common Stock	03/16/2006		S		4,000 (1)	D \$ 30.01	0 D
Common Stock	03/16/2006		M		1,000	A \$ 16.8	1,000 D
Common Stock	03/16/2006		S		1,000 (1)	D \$ 30.01	0 D

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

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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 (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)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 14.7	03/16/2006		M	4,000	(2) 07/12/2015	Common Stock	4,000
Stock Option (right to buy)	\$ 16.8	03/16/2006		M	1,000	02/01/2006 02/01/2015	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
AVALLONE MICHAEL N C/O ADVANCED MAGNETICS, INC. 61 MOONEY STREET CAMBRIDGE, MA 02138	VP - Finance and CFO

Signatures

/s/ Michael N. Avallone 03/20/2006

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).

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- (1) Sale pursuant to broker-assisted cashless exercise of employee stock options.
- (2) The option vested in two equal installments on July 12, 2004 and 2005.

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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