INFINITY PHARMACEUTICALS, INC.

Form 4

September 13, 2006

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

SECURITIES

OMB Number:

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

response...

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obligations

may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

2. Issuer Name and Ticker or Trading

INFINITY PHARMACEUTICALS,

5. Relationship of Reporting Person(s) to

Issuer

LEVINE ARNOLD J

Symbol

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

X_ Director Officer (give title

10% Owner Other (specify

(Month/Day/Year) C/O INSTITUTE FOR ADVANCED 09/12/2006

INC. [INFI]

STUDY, SCHOOL OF NATURAL SCIENCES, EINSTEIN DR.

(Street)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

PRINCETON, NJ 08540

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

(A)

1.Title of Security (Instr. 3)

(Month/Day/Year)

2. Transaction Date 2A. Deemed Execution Date, if

(Month/Day/Year)

3. Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

4. Securities Acquired 5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

Following

Reported Transaction(s) (Instr. 3 and 4)

Code V Price Amount (D)

Common 09/12/2006 Stock

18,787

(1)

 $18,787 \stackrel{(1)}{=}$ (2)

D

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

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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. Transactic Code (Instr. 8)	5. Number of orDerivative 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 or Number of Shares
Stock Option (right to buy)	\$ 15.04 (1)	09/12/2006		A	28,125 (1)	(3)	09/12/2016	Common Stock	28,125 (1)
Stock Option (right to buy)	\$ 15.04 (1)	09/12/2006		A	3,750 (1)	<u>(4)</u>	09/12/2016	Common Stock	3,750 (1)
Stock Option (right to buy)	\$ 3.48 (7)	09/12/2006		A	2,210 (1)	<u>(5)</u>	06/12/2016	Common Stock	2,210 (1)

Reporting Owners

Reporting Owner Name / Address	Relationships				
1	Director	10% Owner	Officer	Other	
LEVINE ARNOLD J C/O INSTITUTE FOR ADVANCED STUDY SCHOOL OF NATURAL SCIENCES, EINSTEIN DR. PRINCETON, NJ 08540	X				

Signatures

/s/ Arnold J. 09/13/2006 Levine **Signature of Date Reporting Person

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) Reflects a 1-for-4 reverse stock split, which became effective on September 12, 2006.
- Received in exchange for 85,000 shares of Infinity Discovery, Inc. ("IPI") common stock in connection with the merger of IPI into Infinity Pharmaceuticals, Inc. (the "Merger") based on a conversion ratio of 0.88411.
- The option vests as to 9,375 of the shares on the first anniversary of the grant date, which grant date was September 12, 2006, and the remainder in quarterly installments of 2,343 shares beginning at the end of the first quarter thereafter, provided that the holder continues

Reporting Owners 2

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to serve as a director.

- (4) The option vests in quarterly installments of 937 shares beginning at the end of the first quarter after the date of grant, which grant date was September 12, 2006, provided that the holder continues to serve as the lead research and development director.
- (5) The option vests as to 552 shares on June 12, 2006, 184 shares on June 30, 2006 and the remainder in equal monthly installments through February 2007.
- (6) Received in the Merger in exchange for a stock option to acquire 10,000 shares of IPI common stock for \$0.77 per share based on a conversion ratio of 0.88411.
- (7) The exercise price reflects the exercise price of each option to purchase IPI common stock prior to the closing of the Merger divided by a conversion ratio of 0.88411, as adjusted to reflect the 1-for-4 reverse stock split.

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.