

CAREGUIDE INC
Form 4
November 29, 2006

FORM 4

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

OMB APPROVAL

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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 *
Pacala Mark L

(Last) (First) (Middle)

C/O ESSEX WOODLANDS
HEALTH VENTURES, 21
WATERWAY AVENUE, SUITE
225

(Street)

THE WOODLANDS, TX 77380

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CAREGUIDE INC [CGDE]

3. Date of Earliest Transaction
(Month/Day/Year)
11/27/2006

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 (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 | 11/27/2006 | | X | 1,431,072 A \$ 0.0032 | 12,290,959 | I | By Fund (1) |
| Common Stock | | | | | 122,387 | I | By Fund through escrow (2) |
| Common Stock | 11/27/2006 | | X | 262,449 D \$ 0 | 3,433,901 | I | By Fund (3) (4) |
| Common Stock | | | | | 43,029 | I | By Fund through |

escrow ⁽⁵⁾

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 | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount of Shares |
|---|--|--------------------------------------|--|--------------------------------|--|-----------|--|-----------------|---|------------------|
| | | | | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | | |
| Common Stock Warrants (right to buy) | \$ 0.0032 | 11/27/2006 | | X ⁽¹⁾ | | 1,431,072 | 11/17/2006 | 11/17/2014 | Common Stock | 1,431,072 |
| Call option equivalent (obligation to sell) | \$ 0 | 11/27/2006 | | X | | 262,449 | 01/25/2006 | 11/17/2014 | Common Stock | 262,449 |
| Call option equivalent (obligation to sell) | \$ 0 | | | | | | 01/25/2006 | 07/25/2007 | Common Stock | 12,000 |
| Call option equivalent (obligation to sell) | \$ 0 | | | | | | 01/25/2006 | 07/25/2007 | Common Stock | 4,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Pacala Mark L C/O ESSEX WOODLANDS HEALTH VENTURES 21 WATERWAY AVENUE, SUITE 225 THE WOODLANDS, TX 77380 | X | X | | |
| | | | X | |

ESSEX WOODLANDS HEALTH VENTURES FUND V LP
 C/O ESSEX WOODLANDS HEALTH VENTURES
 21 WATERWAY AVENUE, SUITE 225
 THE WOODLANDS, TX 77380

ESSEX WOODLANDS HEALTH VENTURES FUND IV L P
 C/O ESSEX WOODLANDS HEALTH VENTURES
 21 WATERWAY AVENUE, SUITE 225
 THE WOODLANDS, TX 77380

X

Signatures

| | |
|---|------------|
| /s/ Brian F. Leaf, as attorney-in-fact for Mark Pacala | 11/29/2006 |
| **Signature of Reporting Person | Date |
| By: Essex Woodlands Health Ventures V, L.L.C., its General Partner, by /s/ Mark Pacala, Manager | 11/27/2006 |
| **Signature of Reporting Person | Date |
| By: Essex Woodlands Health Ventures IV, L.L.C., its General Partner, by /s/ Mark Pacala, Manager | 11/27/2006 |
| **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) Shares are owned of record by Essex Woodlands Health Ventures Fund V, L.P. Mark L. Pacala, one of Issuer's directors, is a manager of Essex Woodlands Health Ventures V, L.L.C, the general partner of Essex Woodlands Health Ventures Fund V, L.P., and therefore may be deemed to beneficially own the securities owned by Essex Woodlands Health Venture Fund V, L.P. Mr. Pacala disclaims beneficial ownership of the reported securities herein except to the extent of his pecuniary interest therein.

(2) Shares are beneficially owned by Essex Woodlands Health Ventures Fund V, L.P. Represents shares held in escrow for the benefit of another stockholder of the Issuer. The number of shares to be released to the other stockholder is contingent upon the occurrence of certain events as described in a letter agreement between the Issuer and the other stockholder. The reported number of shares represents the maximum number of shares issuable to Essex Woodlands Health Ventures Fund V, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. These shares are subject to a call option in favor of the other stockholder as described in footnote (7).

(3) Shares are owned of record by Essex Woodlands Health Ventures Fund IV, L.P. Mark L. Pacala, one of the Issuer's directors, is a Manager of Essex Woodlands Health Ventures IV, L.L.C., the general partner of Essex Woodlands Health Ventures Fund IV, L.P. and therefore may be deemed to beneficially own the securities owned by Essex Woodlands Health Ventures Fund IV, L.P. Mr. Pacala disclaims ownership of the reported securities except to the extent of his pecuniary interest therein.

(4) Number of shares disposed of represented the maximum number of shares issuable to Essex Woodlands Health Ventures Fund IV, L.P. upon termination of an escrow arrangement and liquidation of the escrow. These shares were subject to a call option which was exercised in full, and no additional consideration was received by Essex Woodlands Health Ventures Fund IV, L.P.

(5) Shares are beneficially owned by Essex Woodlands Health Ventures Fund IV, L.P. Represents shares held in escrow for the benefit of another stockholder of the Issuer. The number of shares to be released to the other stockholder is contingent upon the occurrence of certain events as described in a letter agreement between the Issuer and the other stockholder. The reported number of shares represents the maximum number of shares issuable to Essex Woodlands Health Ventures Fund IV, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. These shares are subject to a call option in favor of the other stockholder as described in footnote (8).

(6) Warrant was exercised by Essex Woodlands Health Ventures Fund V, L.P. Mark L. Pacala, one of the Issuer's directors, is a manager of Essex Woodlands Health Ventures V, L.L.C., the general partner of Essex Woodlands Health Ventures Fund V, L.P., and therefore may be deemed to beneficially own the securities owned by Essex Woodlands Health Ventures Fund V, L.P. Mr. Pacala disclaims beneficial ownership of the reported securities herein except to the extent of his pecuniary interest therein.

(7)

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Another stockholder of the Issuer may, contingent upon the occurrence of certain events not in the control of Essex Woodlands Health Ventures Fund V, L.P. or the other stockholder, acquire the entire amount of the stock held in escrow as described in footnote (2), including the shares reported by Essex Woodlands Health Ventures Fund V, L.P. No additional consideration will be received by Essex Woodlands Health Ventures Fund V, L.P. to the extent the call option on these shares is exercised by the other stockholder. To the extent that the shares held in escrow may not be distributed to the other stockholder, Essex Woodlands Health Ventures Fund IV, L.P. will report the partial or full expiration of the call option on Form 4.

- (8) Another stockholder of the Issuer may, contingent upon the occurrence of certain events not in the control of Essex Woodlands Health Ventures Fund IV, L.P. or the other stockholder, acquire the entire amount of the stock held in escrow as described in footnote (5), including the shares reported by Essex Woodlands Health Ventures Fund IV, L.P. No additional consideration will be received by Essex Woodlands Health Ventures Fund IV, L.P. to the extent the call option on these shares is exercised by the other stockholder. To the extent that the shares held in escrow may not be distributed to the other stockholder, Essex Woodlands Health Ventures Fund IV, L.P. will report the partial or full expiration of the call option on Form 4.

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.