

SYNERGY PHARMACEUTICALS, INC.

Form 4

January 06, 2017

**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 \*  
PAULSON & CO. INC.

2. Issuer Name **and** Ticker or Trading  
Symbol

SYNERGY PHARMACEUTICALS,  
INC. [SGYP]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

1251 AVENUE OF THE  
AMERICAS

(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/04/2017

\_\_\_\_ Director \_\_\_\_X\_\_\_\_ 10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

NEW YORK, NY 10020

(City) (State) (Zip)

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

**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)			
				Code V Amount (D) Price			
Common stock, par value of \$.0001 <sup>(1)</sup> <u>(2)</u>					24,088,655	I <sup>(1)</sup> <sup>(2)</sup>	By Managed Funds and Accounts

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  
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SEC 1474  
(9-02)

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**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 or Number of Shares
Notional Principal Amount Derivative Agreements (1) (2)	(3) (4)	01/04/2017		J/K	226,187	(3)(4) (3)(4)	Common stock, par value of \$.0001 226,187

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PAULSON & CO. INC. 1251 AVENUE OF THE AMERICAS NEW YORK, NY 10020	X

## Signatures

/s/ Stuart L. Merzer, General Counsel & Chief Compliance Officer for Paulson & Co. Inc. 01/06/2017

\_\_\_\_\_  
\*\*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) Paulson & Co. Inc. ("Paulson") is an investment advisor registered under the Investment Advisors Act of 1940. Paulson is the investment manager of investment funds (the "Funds") and certain separately managed accounts (the "Separately Managed Accounts"). John Paulson is the controlling person of Paulson. All securities reported on this Form 4 are owned by the Funds or held in the Separately Managed Accounts.
- (2) Each of Paulson and John Paulson may be deemed to indirectly beneficially own the securities directly owned by the Funds or held in the Separately Managed Accounts. Pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, as amended (the "Act"), the filing of this Form 4 shall not be deemed an admission by any person reporting on this Form 4 that such person, for purposes of Section 16 of the Act or otherwise, is the beneficial owner of any equity securities covered by this Form 4.
- (3) Notional principal amount derivative agreements (the "Derivative Agreement") in the form of a cash settled swaps entered into by the Funds representing a share equivalent of an aggregate of 1,573,713 shares of Common Stock at strike prices ranging from \$5.1974 to \$6.3774 and expiration dates ranging from 1/6/2017 to 2/8/2018. The Derivative Agreements provide the Funds with economic results that are comparable to the economic results of ownership of Common Stock payable on each settlement date applicable to the expiration or earlier termination of such Derivative Agreements, but does not provide them with the power to vote or direct the voting or dispose of or direct the disposition of the shares of Common Stock that are the subject of the Derivative Agreements (such shares, the "Subject Shares").

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- (4) Each of Paulson, the Funds, the Separately Managed Accounts and John Paulson disclaims beneficial ownership in the Subject Shares. The counterparties to the Derivative Agreements are unaffiliated third party financial institutions.

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.