

Valera Pharmaceuticals Inc
 Form 4
 April 18, 2007

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 *
Krauss Jeffrey

(Last) (First) (Middle)

**C/O PSILOS GROUP, 625
 AVENUE OF THE AMERICAS,
 4TH FLOOR**

(Street)

NEW YORK, NY 10011

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Valera Pharmaceuticals Inc [VLRX]

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

04/17/2007

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	04/17/2007		D		728,037	D	<u>1</u> 0
						I	Psilos Group Partners II SBIC, L.P. owns the subject shares. ⁽²⁾

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

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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)	8. Amount or Number of Shares
Stock Option	\$ 3	04/17/2007		D	15,000	⁽³⁾ 10/04/2014	Common Stock	15,000
Stock Option	\$ 8.85	04/17/2007		D	7,500	⁽⁵⁾ 05/23/2016	Common Stock	7,500

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Krauss Jeffrey
C/O PSILOS GROUP
625 AVENUE OF THE AMERICAS, 4TH FLOOR
NEW YORK, NY 10011

X

Signatures

David S. Tierney, M.D., Attorney in Fact for Jeffrey Krauss

04/18/2007

**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) Disposed of pursuant to the Merger Agreement dated December 11, 2006 by and among the Issuer, Indevus Pharmaceuticals, Inc. ("Indevus") and Indevus' wholly-owned subsidiary Hayden Merger Sub, Inc. ("Hayden") pursuant to which the Issuer was the surviving entity in a merger with Hayden and became a wholly-owned subsidiary of Indevus. In the merger, the entity for which the Reporting Person serves as a principal received an aggregate of 825,375 shares of Indevus common stock having a market value of \$7.05 per share, the closing price of Indevus' common stock on the Nasdaq Global Market on April 17, 2007, the closing date of the merger, plus for each share of the Issuer's common stock disposed, three contingent stock rights convertible into \$1.00 of Indevus common stock, \$1.00 of Indevus common stock, \$1.50 of Indevus common stock, respectively, if applicable milestones are achieved with respect to three of the Issuer's product candidates.
- (2) These shares are owned directly by Psilos Group Partners II SBIC, L.P. Mr. Krauss, together with Dr. Albert Waxman and Mr. Stephen Kroupa, has voting and dispositive power over the shares held by Psilos Group Partners II SBIC, L.P., and therefore, may be deemed to own such shares beneficially. Mr. Krauss disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest in the above named limited partnership.
- (3) This option vested ratably on an annual basis over a four year period beginning on 10/04/04.
- (4) This option was exchanged for 10,422 shares of Indevus common stock, plus Indevus' unfunded and unsecured promise to issue, in the future, the number of shares of Indevus common stock that would have been issuable had option holders received CSRs.
- (5) This option would have vested completely on 05/23/07.
- (6) This option, the exercise price of which was \$8.85, was exchanged for Indevus' unfunded and unsecured promise to issue, in the future, a number of shares of Indevus common stock determined by a formula intended to provide value equivalent to the CSRs, net of the option exercise price exceeding \$7.75.

Remarks:

No fraction of a share of Indevus common stock was issued to the Reporting Person by virtue of the merger, but in lieu thereof

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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