

INSMED INC
Form 8-K
January 13, 2006

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

Form 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date Of Earliest Event Reported): 12/28/2005

INSMED INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Virginia
(State or Other Jurisdiction of
Incorporation or Organization)

0-30739
(Commission File Number)

54-1972729
(I.R.S. Employer
Identification No.)

4851 Lake Brook Drive, Glen Allen, Virginia
(Address of Principal Executive Offices)

23060
(Zip Code)

(804) 565-3000

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(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR 240.13e-4(c))
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Item 3.02 Unregistered Sales of Equity Securities

Between December 28, 2005 and January 12, 2006, Insmmed Incorporated received notices from holders of its 5.5% Convertible Notes due 2008 - 2010 electing to voluntarily convert \$1,250,000 principal amount of Convertible Notes into 965,250 shares of common stock at the conversion rate of one share of common stock for each \$1.295 in principal amount of the Convertible Notes. The Company also received \$5,831,794 from warrant exercises that resulted in 4,192,768 shares of common stock being issued. 370,370 shares were issued at an exercise price of \$1.71 and 3,822,398 shares were issued at an exercise price of \$1.36.

The common stock issued upon the conversion of the Convertible Notes and the warrants was issued in reliance upon the exemptions from the registration requirements of the Securities Act of 1933, as amended, provided for in Section 3(a)(9) and Section 4(2) thereof and is all currently registered for resale by the holders pursuant to Insmmed's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on August 8, 2005 (the "Registration Statement").

Following the conversions described above, \$10,188,000 principal amount of the Convertible Notes remained outstanding. In addition, because certain of the Convertible Notes were converted prior to the March 1, 2006 quarterly interest payment, the Company issued an additional 5,731 shares of common stock for the forfeited cash interest payment at a conversion price of \$1.295. A summary of the terms of the Convertible Notes, including the conversion features and interest payments was previously provided in the Registration Statement and Insmmed's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 16, 2005 (the "Current Report"). The form of the Convertible Notes was filed with the Current Report and the forms of the warrants were filed on Current Reports filed with the SEC on March 16, 2005 and November 10, 2004. The Registration Statement, the Current Report and the form of Convertible Note are each incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 13, 2006

Insmmed Incorporated

By: /s/ Mike S. Duncan

Mike S. Duncan
Principal Financial Officer