

CONNETICS CORP  
Form 4  
January 03, 2007

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**VONTZ CHARLES GREGORY**

2. Issuer Name and Ticker or Trading Symbol  
**CONNETICS CORP [CNCT]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/29/2006**

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
**President & COO**

**3160 PORTER DRIVE**

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**PALO ALTO, CA 94304**

(City) (State) (Zip)

**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, Par Value \$0.001	12/29/2006		D		26,906	D		\$ 17.50 <u>(1)</u>
Common Stock, Par Value \$0.001	12/29/2006		D		103,820	D		\$ 17.50 <u>(2)</u>

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**

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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number of Shares
Option to Purchase Common Stock	\$ 6.5	12/29/2006		D	5,000 <sup>(3)</sup>	12/29/2006 <sup>(4)</sup> 12/07/2009	Common Stock 5,000
Option to Purchase Common Stock	\$ 6.5	12/29/2006		D	103,610 <sup>(3)</sup>	12/29/2006 <sup>(5)</sup> 12/07/2009	Common Stock 103,610
Option to Purchase Common Stock	\$ 8.75	12/29/2006		D	91,390 <sup>(3)</sup>	12/29/2006 <sup>(5)</sup> 01/04/2010	Common Stock 91,390
Option to Purchase Common Stock	\$ 4.5625	12/29/2006		D	4,771 <sup>(3)</sup>	12/29/2006 <sup>(6)</sup> 01/02/2011	Common Stock 4,771
Option to Purchase Common Stock	\$ 11.9	12/29/2006		D	85,000 <sup>(3)</sup>	12/29/2006 <sup>(6)</sup> 01/01/2012	Common Stock 85,000
Option to Purchase Common Stock	\$ 12.45	12/29/2006		D	125,000 <sup>(3)</sup>	12/29/2006 <sup>(6)</sup> 01/02/2013	Common Stock 125,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VONTZ CHARLES GREGORY 3160 PORTER DRIVE			President & COO	

PALO ALTO, CA 94304

## Signatures

Charles Gregory  
Vontz

01/03/2007

\_\_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) In connection with the merger agreement between issuer and Stiefel Laboratories, shares of the Issuer's common stock were converted into the right to receive \$17.50 per share in cash, without interest.  
  
Immediately prior to the effective time of the merger between issuer and Stiefel Laboratories, Inc., all restrictions on these shares of restricted stock were released, and the shares became fully vested and eligible for the merger consideration in an amount equal to \$17.50 multiplied by the number of shares of common stock subject to the restrictions, less any required withholding.
  - (2) Immediately prior to the effective time of the merger between issuer and Stiefel Laboratories, the options became fully vested. In exchange for the options, the Issuer paid to the Reporting Person either (a) -0- for each grant of options if the exercise price of the options was equal to or greater than the merger consideration of \$17.50, or (b) an amount equal to the excess of the merger consideration (\$17.50) over the exercise price multiplied by the number of shares of common stock subject to the option, less any required withholding, if the exercise price of the option was less than the merger consideration of \$17.50.
  - (3) The stock options were granted under a Connetics Corporation stock option plan, and were 100% vested on the day of grant.
  - (4) The stock options were granted under a Connetics Corporation stock option plan and, but for the merger between Issuer and Stiefel Laboratories, would have been exercisable at the rate of 1/8th on the vesting commencement date, and 1/48th thereafter.
  - (5) The stock options were granted under a Connetics Corporation stock option plan and, but for the merger between Issuer and Stiefel Laboratories, would have been exercisable at the rate of 25% on the one year anniversary and 1/48th per month thereafter.
  - (6)

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.