

Edgar Filing: Flynn James E - Form SC 13G

Flynn James E  
Form SC 13G  
February 15, 2007

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b) (c), AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13d-2 (b)

(Amendment No. ) \*

SOMANETICS CORPORATION

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

834445405

-----  
(CUSIP Number)

February 12, 2007

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule  
is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

-----  
\* The remainder of this cover page shall be filled out for a reporting person's  
initial filing on this form with respect to the subject class of securities, and  
for any subsequent amendment containing information which would alter the  
disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed  
to be "filed" for the purpose of Section 18 of the Securities Exchange Act of  
1934 or otherwise subject to the liabilities of that section of the Act but  
shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 834445405

13G

-----  
1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Capital, L.P.

-----  
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

Edgar Filing: Flynn James E - Form SC 13G

(b) |X|

-----  
3. SEC USE ONLY

-----  
4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

-----  
5. SOLE VOTING POWER

0

-----  
NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6. SHARED VOTING POWER

264,304

-----  
7. SOLE DISPOSITIVE POWER

0

-----  
8. SHARED DISPOSITIVE POWER

264,304

-----  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

264,304

-----  
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES |\_\_|

-----  
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.01%

-----  
12. TYPE OF REPORTING PERSON

PN

-----  
Page 2 of 16

CUSIP No. 834445405

13G

-----  
1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Partners, L.P.

-----  
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) |\_\_|

(b) |X|

-----  
3. SEC USE ONLY

Edgar Filing: Flynn James E - Form SC 13G

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

0

NUMBER OF 6. SHARED VOTING POWER

SHARES

BENEFICIALLY

OWNED BY

EACH

REPORTING

PERSON

WITH

117,294

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

117,294

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

117,294

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.89%

12. TYPE OF REPORTING PERSON

PN

Page 3 of 16

CUSIP No. 834445405

13G

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Special Situations Fund, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5. SOLE VOTING POWER

Edgar Filing: Flynn James E - Form SC 13G

0

---

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

6. SHARED VOTING POWER 147,010

---

7. SOLE DISPOSITIVE POWER 0

---

8. SHARED DISPOSITIVE POWER 147,010

---

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 147,010

---

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

---

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 1.12%

---

12. TYPE OF REPORTING PERSON PN

---

Page 4 of 16

CUSIP No. 834445405 13G

---

1. NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)  
Deerfield Management Company, L.P.

---

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

---

3. SEC USE ONLY

---

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
New York

---

5. SOLE VOTING POWER 0

---

NUMBER OF SHARES BENEFICIALLY

6. SHARED VOTING POWER 477,696

Edgar Filing: Flynn James E - Form SC 13G

OWNED BY -----  
EACH 7. SOLE DISPOSITIVE POWER  
REPORTING PERSON 0  
PERSON -----  
WITH 8. SHARED DISPOSITIVE POWER  
-----  
477,696

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
-----  
477,696  
-----

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES |\_\_|

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
-----  
3.63%  
-----

12. TYPE OF REPORTING PERSON  
-----  
PN  
-----

CUSIP No. 834445405 13G  
-----

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)  
-----  
Deerfield International Limited  
-----

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) |\_\_|  
(b) |X|

3. SEC USE ONLY  
-----

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
-----  
British Virgin Islands  
-----

5. SOLE VOTING POWER  
-----  
0  
-----

NUMBER OF 6. SHARED VOTING POWER  
SHARES  
BENEFICIALLY 182,706  
OWNED BY  
-----

EACH 7. SOLE DISPOSITIVE POWER  
REPORTING PERSON 0  
PERSON -----  
WITH

8. SHARED DISPOSITIVE POWER  
-----

Edgar Filing: Flynn James E - Form SC 13G

182,706

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

182,706

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.39%

12. TYPE OF REPORTING PERSON

CO

Page 6 of 16

CUSIP No. 834445405

13G

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Deerfield Special Situations Fund International Limited

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

5. SOLE VOTING POWER

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6. SHARED VOTING POWER

294,990

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

294,990

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

294,990

Edgar Filing: Flynn James E - Form SC 13G

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.24%

12. TYPE OF REPORTING PERSON

CO

Page 7 of 16

CUSIP No. 834445405

13G

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

James E. Flynn

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5. SOLE VOTING POWER

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6. SHARED VOTING POWER

742,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

742,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

742,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

Edgar Filing: Flynn James E - Form SC 13G

5.64%

-----  
12. TYPE OF REPORTING PERSON

IN  
-----

Page 8 of 16

CUSIP No. 834445405  
-----

Item 1(a). Name of Issuer:

SOMANETICS CORPORATION  
-----

Item 1(b). Address of Issuer's Principal Executive Offices:

1653 East Maple Road  
Troy, Michigan 48083-4208  
-----

Item 2(a). Name of Person Filing:

James E. Flynn, Deerfield Capital, L.P., Deerfield Partners, L.P.,  
Deerfield Special Situations Fund, L.P., Deerfield Management  
Company, L.P., Deerfield International Limited, Deerfield Special  
Situations Fund International Limited  
-----

Item 2(b). Address of Principal Business Office, or if None, Residence:

James E. Flynn, Deerfield Capital, L.P., Deerfield Partners, L.P.  
Deerfield Special Situations Fund, L.P., Deerfield Management  
Company, L.P., 780 Third Avenue, 37th Floor, New York, NY 10017  
Deerfield International Limited, Deerfield Special Situations  
International Limited c/o Bisys Management, Bison Court,  
Columbus Centre, P.O. Box 3460, Road Town, Tortola, British Virgin \\  
Islands  
-----

Item 2(c). Citizenship:

Mr. Flynn - United States citizen  
Deerfield Capital, L.P., Deerfield Partners, L.P. and Deerfield  
Special Situations Fund, L.P. - Delaware limited partnerships  
Deerfield Management Company, L.P. - New York limited partnership  
Deerfield International Limited and Deerfield Special Situations  
International Limited - British Virgin Islands corporations  
-----

Item 2(d). Title of Class of Securities:

Common Stock  
-----

Item 2(e). CUSIP Number:



Edgar Filing: Flynn James E - Form SC 13G

834445405

- Item 3. If This Statement is Filed Pursuant to Rule 13d-1(b), or 13d-2(b) or (c), Check Whether the Person Filing is a:
- (a)  Broker or dealer registered under Section 15 of the Exchange Act.
  - (b)  Bank as defined in Section 3(a)(6) of the Exchange Act. (c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act.
  - (d)  Investment company registered under Section 8 of the Investment Company Act.
  - (e)  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
  - (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

Page 9 of 16

- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Deerfield Capital, L.P. - 264,304 shares  
Deerfield Partners, L.P. - 117,294 shares  
Deerfield Special Situations Fund, L.P. - 147,010 shares  
Deerfield Management Company, L.P. - 477,696 shares  
Deerfield International Limited - 182,706 shares  
Deerfield Special Situations International Limited - 294,990 shares  
James E. Flynn - 742,000 shares

(b) Percent of class:

Deerfield Capital, L.P. - 2.01%  
Deerfield Partners, L.P. - 0.89%  
Deerfield Special Situations Fund, L.P. - 1.12%  
Deerfield Management Company, L.P. - 3.63%  
Deerfield International Limited - 1.39%  
Deerfield Special Situations International Limited - 2.24%

Edgar Filing: Flynn James E - Form SC 13G

James E. Flynn - 5.64%

-----

(c) Number of shares as to which such person has:

|       |  |  |
|-------|--|--|
| (i)   | Sole power to vote or to direct the vote:  | All Reporting<br>Persons 0   |
| ----- |  |  |
| (ii)  | Shared power to vote or to direct the vote | Deerfield Capital,<br>L.P. - 264,304<br>Deerfield Partners,<br>L.P. - 117,294<br>Deerfield Special<br>Situations Fund,<br>L.P. - 147,010<br>Deerfield<br>Management Company,<br>L.P. - 477,696<br>Deerfield<br>International<br>Limited - 182,706<br>Deerfield Special<br>Situations Fund<br>International<br>Limited - 294,990<br>James E. Flynn -<br>742,000 |
| ----- |  |  |

Page 10 of 16

|       |  |  |
|-------|--|--|
| (iii) | Sole power to dispose or to direct the<br>disposition of | All Reporting<br>Persons - 0   |
| ----- |  |  |
| (ii)  | Shared power to vote or to direct the vote               | Deerfield Capital,<br>L.P. - 264,304<br>Deerfield Partners,<br>L.P. - 117,294<br>Deerfield Special<br>Situations Fund,<br>L.P. - 147,010<br>Deerfield<br>Management Company,<br>L.P. - 477,696<br>Deerfield<br>International<br>Limited - 182,706<br>Deerfield Special<br>Situations Fund<br>International<br>Limited - 294,990<br>James E. Flynn -<br>742,000 |
| ----- |  |  |

Item 5. Ownership of Five Percent or Less of a Class.

Edgar Filing: Flynn James E - Form SC 13G

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities check the following [ ].

-----  
Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

N/A  
-----

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

If a parent holding company or Control person has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A  
-----

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to ss.240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to ss.240.13d-1(c) or ss.240.13d-1(d), attach an exhibit stating the identity of each member of the group.

See Exhibit B  
-----

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

N/A  
-----

Item 10. Certifications.

"By signing below I certify that, to the best of my knowledge and belief,

Edgar Filing: Flynn James E - Form SC 13G

the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect."

Page 12 of 16

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DEERFIELD CAPITAL, L.P.

By: J.E. Flynn Capital LLC,  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

DEERFIELD PARTNERS, L.P.

By: Deerfield Capital, L.P.

By: J.E. Flynn Capital LLC,  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Capital, L.P.

By: J.E. Flynn Capital LLC,  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

DEERFIELD MANAGEMENT COMPANY, L.P.

By: Flynn Management LLC  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

DEERFIELD INTERNATIONAL LIMITED

By: Deerfield Management Company

Edgar Filing: Flynn James E - Form SC 13G

By: Flynn Management LLC,  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

DEERFIELD SPECIAL SITUATIONS FUND INTERNATIONAL LIMITED

By: Deerfield Management Company

By: Flynn Management LLC,  
General Partner

By: /s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

JAMES E. FLYNN

/s/ Darren Levine  
-----  
Darren Levine, Attorney-In-Fact

Date: February 15, 2007

Exhibit List

Page 13 of 16

Exhibit A . Joint Filing Agreement.

Exhibit B. Item 8 Statement.

Exhibit C (1). Power of Attorney.

(1) Previously filed as Exhibit 24 to a Form 4 with regard to PAR Pharmaceutical Companies, Inc. filed with the Commission on February 1, 2007 by Deerfield Capital L.P.; Deerfield Partners, L.P.; Deerfield Management Company, L.P.; Deerfield International Limited; Deerfield Special Situations Fund, L.P.; Deerfield Special Situations Fund International Limited; and James E. Flynn.

Page 14 of 16

Exhibit A

Agreement

The undersigned agree that this Schedule 13G, and all amendments thereto relating to the Common Stock of Somanetics Corporation shall be filed on behalf of the undersigned.

DEERFIELD CAPITAL, L.P.

By: J.E. Flynn Capital LLC,

Edgar Filing: Flynn James E - Form SC 13G

General Partner

By: /s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

DEERFIELD PARTNERS, L.P.

By: Deerfield Capital, L.P.

By: J.E. Flynn Capital LLC,  
General Partner

By: /s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Capital, L.P.

By: J.E. Flynn Capital LLC,  
General Partner

By: /s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

DEERFIELD MANAGEMENT COMPANY, L.P.

By: Flynn Management LLC  
General Partner

By: /s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

DEERFIELD INTERNATIONAL LIMITED

By: Deerfield Management Company

By: Flynn Management LLC,  
General Partner

By: /s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

DEERFIELD SPECIAL SITUATIONS FUND INTERNATIONAL LIMITED

By: Deerfield Management Company

By: Flynn Management LLC,  
General Partner

By: /s/ Darren Levine

-----

Edgar Filing: Flynn James E - Form SC 13G

Darren Levine, Attorney-In-Fact

JAMES E. FLYNN

/s/ Darren Levine

-----  
Darren Levine, Attorney-In-Fact

Date: February 15, 2007

Page 15 of 16

Exhibit B

Due to the relationships between them, the reporting persons hereunder may be deemed to constitute a "group" with one another for purposes of Section 13(d) (3) of the Securities Exchange Act of 1934.

Page 16 of 16