

ESSEX WOODLANDS HEALTH VENTURES FUND IV L P
 Form 3
 February 06, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â Pacala Mark L
 (Last) (First) (Middle)

C/O ESSEX WOODLANDS
 HEALTH VENTURES, Â 10001
 WOODLOCH FOREST DRIVE,
 SUITE 175

(Street)

THE
 WOODLANDS, Â TX Â 77380

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 01/25/2006

3. Issuer Name and Ticker or Trading Symbol
 PATIENT INFOSYSTEMS INC [PATY]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. 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

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	10,859,887	I	By Fund ⁽¹⁾
Common Stock	746,485	I	By Fund through escrow ⁽²⁾ ⁽¹⁰⁾
Common Stock	122,387	I	By Fund through escrow ⁽³⁾
Common Stock	3,433,901	I	By Fund ⁽⁴⁾
Common Stock	262,449	I	By Fund through escrow ⁽⁵⁾
Common Stock	43,029	I	By Fund through escrow ⁽⁶⁾

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Call Option Equivalent (obligation to sell)	01/25/2006	11/17/2014	Common Stock	262,449	\$ 0	I	By Fund through escrow <u>(7)</u>
Call Option Equivalent (obligation to sell)	01/25/2006	07/25/2007	Common Stock	122,387	\$ 0	I	By Fund through escrow <u>(8)</u>
Call Option Equivalent (obligation to sell)	01/25/2006	07/25/2007	Common Stock	43,029	\$ 0	I	By Fund through escrow <u>(9)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pacala Mark L C/O ESSEX WOODLANDS HEALTH VENTURES 10001 WOODLOCH FOREST DRIVE, SUITE 175 THE WOODLANDS, TX 77380	Â X	Â X	Â	Â
ESSEX WOODLANDS HEALTH VENTURES FUND IV L P 10001 WOODLOCH FOREST DR STE 175 THE WOODLANDS, TX 77380	Â	Â X	Â	Â
ESSEX WOODLANDS HEALTH VENTURES FUND V LP 10001 WOODLOCH FOREST DRIVE STE.175 THE WOODLANDS, TX 77380	Â	Â X	Â	Â

Signatures

/s/Mark Pacala 02/06/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) Shares are owned of record by Essex Woodlands Health Ventures Fund V, L.P. Mark L. Pacala, who has been designated to become one of the Issuer's directors, is a Manager of Essex Woodlands Health Ventures V, L.L.C., the general partner of Essex Woodlands Health Ventures Fund V, L.P. and therefore may be deemed to beneficially own the securities owned by Essex Woodlands Health Ventures

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Fund V, L.P. Mr. Pacala disclaims ownership of the reported securities except to the extent of his pecuniary interest therein.

- (2) Shares are beneficially owned by Essex Woodlands Health Ventures Fund V, L.P. Represents shares held in escrow for the benefit of former stockholders of CCS Consolidated, Inc. whose shares were converted into shares of the Issuer as a result of a merger between CCS Consolidated, Inc. and the Issuer.
- (3) Shares are beneficially owned by Essex Woodlands Health Ventures Fund V, L.P. Represents shares held in escrow for the benefit of another stockholder of the Issuer. The number of shares to be released to the other stockholder is contingent upon the occurrence of certain events as described in a letter agreement between the Issuer and the other stockholder. The reported number of shares represents the maximum number of shares issuable to Essex Woodlands Health Ventures Fund V, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. These shares are subject to a call option in favor of the other stockholder as described in footnote (8).
- (4) Shares are owned of record by Essex Woodlands Health Ventures Fund IV, L.P. Mark L. Pacala, who has been designated to become one of the Issuer's directors, is a Manager of Essex Woodlands Health Ventures IV, L.L.C., the general partner of Essex Woodlands Health Ventures Fund IV, L.P. and therefore may be deemed to beneficially own the securities owned by Essex Woodlands Health Ventures Fund IV, L.P. Mr. Pacala disclaims ownership of the reported securities except to the extent of his pecuniary interest therein.
- (5) Shares are beneficially owned by Essex Woodlands Health Ventures Fund IV, L.P. Represents shares held in escrow for the benefit of former stockholders of CCS Consolidated, Inc. whose shares were converted into shares of the Issuer as a result of a merger between CCS Consolidated, Inc. and the Issuer. The reported number of shares represents the maximum number of shares issuable to Essex Woodlands Health Ventures Fund IV, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. These shares are subject to a call option as described in footnote (7).
- (6) Shares are beneficially owned by Essex Woodlands Health Ventures Fund IV, L.P. Represents shares held in escrow for the benefit of another stockholder of the Issuer. The number of shares to be released to the other stockholder is contingent upon the occurrence of certain events as described in a letter agreement between the Issuer and the other stockholder. The reported number of shares represents the maximum number of shares issuable to Essex Woodlands Health Ventures Fund IV, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. These shares are subject to a call option in favor of the other stockholder as described in footnote (9).
- (7) Certain stockholders of the Issuer hold warrants that may be exercised, subject to the terms thereof, to acquire the entire amount of the stock held in escrow as described in footnotes (2) & (10), including the shares reported by Essex Woodlands Health Ventures Fund IV, L.P. No additional consideration will be received by Essex Woodlands Health Ventures Fund IV, L.P. to the extent the warrants and the call option on these shares are exercised by the holders of such warrants, and the exercise of these warrants is outside the control of Essex Woodlands Health Ventures Fund IV, L.P. To the extent that the warrants become exercisable for less than the full amount of shares held in escrow, Essex Woodlands Health Ventures Fund IV, L.P. will report the partial or full expiration of the call option on Form 4.
- (8) Another stockholder of the Issuer may, contingent upon the occurrence of certain events not in the control of Essex Woodlands Health Ventures Fund V, L.P. or the other stockholder, acquire the entire amount of the stock held in escrow as described in footnote (3), including the shares reported by Essex Woodlands Health Ventures Fund V, L.P. No additional consideration will be received by Essex Woodlands Health Ventures Fund V, L.P. to the extent the call option on these shares is exercised by the other stockholder. To the extent that the shares held in escrow may not be distributed to the other stockholder, Essex Woodlands Health Ventures Fund IV, L.P. will report the partial or full expiration of the call option on Form 4.
- (9) Another stockholder of the Issuer may, contingent upon the occurrence of certain events not in the control of Essex Woodlands Health Ventures Fund IV, L.P. or the other stockholder, acquire the entire amount of the stock held in escrow as described in footnote (6), including the shares reported by Essex Woodlands Health Ventures Fund IV, L.P. No additional consideration will be received by Essex Woodlands Health Ventures Fund IV, L.P. to the extent the call option on these shares is exercised by the other stockholder. To the extent that the shares held in escrow may not be distributed to the other stockholder, Essex Woodlands Health Ventures Fund IV, L.P. will report the partial or full expiration of the call option on Form 4.
- (10) The reported number of shares represents the minimum number of shares issuable to Essex Woodlands Health Ventures Fund V, L.P. upon termination of the escrow arrangement and liquidation of the escrow account. In addition, Essex Woodlands Health Ventures Fund V, L.P. holds a warrant which may entitle it to purchase additional shares currently held in the escrow account, subject to the terms thereof. Because the number of shares exercisable under the warrant held by Essex Woodlands Health Ventures Fund V, L.P. is not fixed, the warrant is not reportable as a derivative security on this Form 3. To the extent that the warrant becomes exercisable, the Reporting Person will file a Form 4 reflecting the acquisition of a derivative security.

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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