

MPM BIOVENTURES III PARALLEL FUND
 Form 4
 September 12, 2005

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 *
 MPM BIOVENTURES III LLC

2. Issuer Name and Ticker or Trading Symbol
 TERCICA INC [TRCA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 09/07/2005

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

C/O MPM ASSET MANAGEMENT, 111 HUNTINGTON AVE., 31ST FLOOR

(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

BOSTON, MA 02199

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | 09/07/2005 | | S | (A) or (D) 8,400 (1) | \$ 12 6,861,268 | I | See footnote (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)

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

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| 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. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MPM BIOVENTURES III LLC C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM ASSET MANAGEMENT INVESTORS 2002 BVIII LLC C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM BIOVENTURES III PARALLEL FUND C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM BIOVENTURES III GMBH & CO C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM BIOVENTURES III LP C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM BIOVENTURES III GP LP C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR BOSTON, MA 02199 | | X | | |
| MPM BIOVENTURES III QP LP C/O MPM ASSET MANAGEMENT 111 HUNTINGTON AVE., 31ST FLOOR | | X | | |

BOSTON, MA 02199

Signatures

| | |
|---|------------|
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, manager of MPM Asset Management Investors 2002 BVIII LLC | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC, the general partner of MPM BioVentures III, GP, LP, the general partner of MPM BioVentures III Parallel Fund, LP | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC, the general partner of MPM BioVentures III, GP, LP, the general partner of MPM BioVentures III BmbH & Co. Beteiligungs KG | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC, the general partner of MPM BioVentures III, GP, LP, the general partner of MPM BioVentures III, LP | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC, the general partner of MPM BioVentures III, GP, LP | 09/12/2005 |
| **Signature of Reporting Person | Date |
| /s/ Luke Evnin, Series A Member of MPM BioVentures III LLC, the general partner of MPM BioVentures III, GP, LP, the general partner of MPM BioVentures III QP, LP | 09/12/2005 |
| **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) The shares were sold as follows: 6,990 by MPM BioVentures III-QP, LP ("BVQP"), 470 by MPM BioVentures III, LP ("BVLP"), 211 by MPM BioVentures III Parallel Fund, LP ("BVPF"), 591 by MPM BioVentures III GmbH & Co. Beteiligungs KG ("BVKG") and 138 by MPM Asset Management Investors 2002 BVIII LLC ("BVAM"). MPM BioVentures III GP, LP ("BVG P") and MPM BioVentures III LLC ("BVLLC") are the indirect and direct general partners of BVQP, BVLP, BVPF and BVKG. Luke Evnin ("LE"), Ansbert Gadicke ("AG"), Nicholas Galakatos ("NG"), Dennis Henner ("DH"), Nicholas Simon III ("NS"), Michael Steinmetz ("MS") and Kurt Wheeler ("KW") are the members of BVLLC. LE, AG, NG, DH, NS, MS and KW are members of BVAM.

(2) The shares are held as follows: 5,707,936 by BVQP, 383,776 by BVLP, 172,441 by BVPF, 482,343 by BVKG, 112,772 by BVAM and 2,000 by KW. Each member of the group disclaims beneficial ownership of the securities except to the extent of its pecuniary interest therein.

Remarks:

See Form 4 for Luke Evnin for additional members of this joint filing.

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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