

SYNERGY PHARMACEUTICALS, INC.

Form 4

December 27, 2016

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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 \*  
PAULSON & CO. INC.

2. Issuer Name and Ticker or Trading Symbol  
SYNERGY PHARMACEUTICALS, INC. [SGYP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1251 AVENUE OF THE AMERICAS

3. Date of Earliest Transaction (Month/Day/Year)  
12/22/2016

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

(Street)  
NEW YORK, NY 10020

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

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

(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)
				(A) or (D) Code V Amount (D) Price			
Common stock, par value of \$.0001 <sup>(1)</sup> <sub>(2)</sub>					24,088,655	I <sup>(1)</sup> <sub>(2)</sub>	By Managed Funds and Accounts

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 required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)



## Edgar Filing: SYNERGY PHARMACEUTICALS, INC. - Form 4

16 of the Act or otherwise, is the beneficial owner of any equity securities covered by this Form 4.

Notional principal amount derivative agreements (the "Derivative Agreement") in the form of a cash settled swaps entered into by the Funds representing a share equivalent of an aggregate of 1,943,900 shares of Common Stock at strike prices ranging from \$3.31 to \$6.347 and expiration dates ranging from 12/31/2016 to 12/12/2017. The Derivative Agreements provide the Funds with economic results that

(3) are comparable to the economic results of ownership of Common Stock payable on each settlement date applicable to the expiration or earlier termination of such Derivative Agreements, but does not provide them with the power to vote or direct the voting or dispose of or direct the disposition of the shares of Common Stock that are the subject of the Derivative Agreements (such shares, the "Subject Shares").

- (4) Each of Paulson, the Funds, the Separately Managed Accounts and John Paulson disclaims beneficial ownership in the Subject Shares. The counterparties to the Derivative Agreements are unaffiliated third party financial institutions.

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.