

Flynn James E  
Form 4  
March 22, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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 \*  
Flynn James E

2. Issuer Name and Ticker or Trading Symbol  
DUSA PHARMACEUTICALS INC  
[DUSA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
780 3RD AVENUE, 37TH FLOOR  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
03/18/2011

\_\_\_\_ Director  10% Owner  
\_\_\_\_ Officer (give title below)  Other (specify below)  
Possible Member of 10% Group

NEW YORK, NY 10017

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

(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 <sup>(1)</sup>     | 03/18/2011                           |  | S                              |   | 1,248   | D  | \$ 4.61   | 696,246   | I <sup>(2)</sup> | Through Deerfield Special Situations Fund, L.P.                 |
| Common Stock <sup>(1)</sup>     | 03/18/2011                           |  | S                              |   | 1,952   | D  | \$ 4.61   | 1,376,978 | I <sup>(3)</sup> | Through Deerfield Special Situations Fund International Limited |

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|                         |            |   |        |   |         |           |              |   |
|-------------------------|------------|---|--------|---|---------|-----------|--------------|---|
| Common Stock <u>(1)</u> | 03/21/2011 | S | 31,234 | D | \$ 4.47 | 665,012   | I <u>(2)</u> | Through Deerfield Special Situations Fund, L.P.                 |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 48,890 | D | \$ 4.47 | 1,328,088 | I <u>(3)</u> | Through Deerfield Special Situations Fund International Limited |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 116    | D | \$ 4.6  | 664,896   | I <u>(2)</u> | Through Deerfield Special Situations Fund, L.P.                 |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 184    | D | \$ 4.6  | 1,327,904 | I <u>(3)</u> | Through Deerfield Special Situations Fund International Limited |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 740    | D | \$ 4.59 | 664,156   | I <u>(2)</u> | Through Deerfield Special Situations Fund, L.P.                 |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 1,160  | D | \$ 4.59 | 1,326,744 | I <u>(3)</u> | Through Deerfield Special Situations Fund International Limited |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 4,249  | D | \$ 4.6  | 659,907   | I <u>(2)</u> | Through Deerfield Special Situations Fund, L.P.                 |
| Common Stock <u>(1)</u> | 03/21/2011 | S | 6,651  | D | \$ 4.6  | 1,320,093 | I <u>(3)</u> | Through Deerfield Special Situations Fund International         |

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|                             |            |   |        |   |         |           |                  |   |
|-----------------------------|------------|---|--------|---|---------|-----------|------------------|---|
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 23,611 | D | \$ 4.36 | 636,296   | I <sup>(2)</sup> | Limited<br>Through<br>Deerfield<br>Special<br>Situations<br>Fund, L.P.            |
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 36,865 | D | \$ 4.36 | 1,283,228 | I <sup>(3)</sup> | Through<br>Deerfield<br>Special<br>Situations<br>Fund<br>International<br>Limited |
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 3,328  | D | \$ 4.41 | 632,968   | I <sup>(2)</sup> | Through<br>Deerfield<br>Special<br>Situations<br>Fund, L.P.                       |
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 5,196  | D | \$ 4.41 | 1,278,032 | I <sup>(3)</sup> | Through<br>Deerfield<br>Special<br>Situations<br>Fund<br>International<br>Limited |
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 9,761  | D | \$ 4.26 | 623,207   | I <sup>(2)</sup> | Through<br>Deerfield<br>Special<br>Situations<br>Fund, L.P.                       |
| Common Stock <sup>(1)</sup> | 03/22/2011 | S | 15,239 | D | \$ 4.26 | 1,262,793 | I <sup>(3)</sup> | Through<br>Deerfield<br>Special<br>Situations<br>Fund<br>International<br>Limited |

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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                         |
|  |  |                                      |  |                                |   | Code   | V   | (A)  | (D)  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |                              |
|---|---------------|-----------|---------|------------------------------|
|   | Director      | 10% Owner | Officer | Other                        |
| Flynn James E<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017   |               | X         |         | Possible Member of 10% Group |
| DEERFIELD CAPITAL LP<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017  |               | X         |         | Possible Member of 10% Group |
| Deerfield Special Situations Fund, L.P.<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017   |               | X         |         | Possible Member of 10% Group |
| DEERFIELD MANAGEMENT CO /NY<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017   |               | X         |         | Possible Member of 10% Group |
| Deerfield Special Situations Fund International LTD<br>C/O HEMISPHERE MANAGEMENT (B.V.I.)<br>COLUMBUS CENTRE, P.O. BOX 3460<br>ROAD TOWN, TORTOLA, D8 - |               | X         |         | Possible Member of 10% Group |

## Signatures

/s/ Darren  
Levine 03/22/2011

\*\*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) This Form 4 is being filed by the undersigned as well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons").  
  
Deerfield Capital, L.P. is the general partner of Deerfield Special Situations Fund, L.P. (the "Domestic Fund"). James E. Flynn is the managing member of the general partner of Deerfield Capital, L.P. In accordance with Instruction 4 (b)(iv) to Form 4, the entire amount of the Issuer's securities held by the Domestic Fund is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.
- (2) Deerfield Management Company, L.P. is the investment manager of Deerfield Special Situations Fund International Limited (the "Offshore Fund"). James E. Flynn is the managing member of the general partner of Deerfield Management Company, L.P. In accordance with Instruction 4(b)(iv) to Form 4, the entire amount of the Issuer's securities held by the Offshore Fund is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.
- (3) For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.

### Remarks:

Darren Levine, Attorney-in-Fact: Power of Attorney, which is hereby incorporated by reference to Exhibit 24 of the Form 4 fil

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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