

Taylor Thomas S  
Form 4  
March 07, 2012

**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 \*  
Taylor Thomas S

(Last) (First) (Middle)  
450 LEXINGTON AVENUE, 31ST FLOOR  
(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
PATHEON INC [PTI]

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/14/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Restricted Voting Shares	01/30/2012		M		135,595	A	<u>(1)</u> 135,595
Restricted Voting Shares	01/30/2012		D		135,595	D	<u>(2)</u> 0
Restricted Voting Shares							72,077,781

See footnote (3)

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

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(9-02)

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

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)	Amount Number Shares
					V	(A)			
Deferred Share Units	(1)	12/14/2011		A		7,301	(1) (1)	Restricted Voting Shares	7,301
Deferred Share Units	(1)	01/30/2012		M		135,595	(1) (1)	Restricted Voting Shares	135,595

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Taylor Thomas S 450 LEXINGTON AVENUE, 31ST FLOOR NEW YORK, NY 10017		X		former director

## Signatures

/s/ Thomas S.  
Taylor

03/07/2012

\*\*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) Each deferred share unit ("DSU") was the economic equivalent of one restricted voting share ("Restricted Voting Share") of Patheon Inc. (the "Company"). Each DSU entitles its holder, 45 days following the date upon which the holder ceases to be a director of the Company, to receive an amount of cash having the same value as one Restricted Voting Share of the Company at such time. On December 15, 2011, Mr. Taylor ceased to be a director of the Company. Mr. Taylor settled all of his DSUs for cash on January 30, 2012.

(2) For purposes of the settlement of Mr. Taylor's DSUs, the value of each DSU was based on the weighted-average price at which the Company's Restricted Voting Shares traded on the Toronto Stock Exchange on January 26, 2011 and January 27, 2011 (the two trading days prior to the date on which the DSUs were settled), which was \$1.32, as converted from C\$1.32 using the average of the closing rates of exchange from Reuters on January 26, 2011 and January 27, 2011.

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- JLL Patheon Holdings, Cooperatief U.A. ("JLL CoOp") is the direct beneficial owner of 72,077,781 Restricted Voting Shares of the Company. JLL Patheon Holdings, LLC is the 99% owner and controlling member of JLL CoOp. JLL Associates G.P. V (Patheon), Ltd. ("JLL Limited") is the sole general partner of JLL Associates V (Patheon), L.P., which is the sole general partner of JLL Partners Fund V (Patheon), L.P., which in turn is the sole member of JLL Patheon Holdings, LLC. Mr. Taylor serves on the board of directors of JLL Limited. As a result, Mr. Taylor may be deemed to be the indirect beneficial owner of 72,077,781 Restricted Voting Shares. Mr. Taylor disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and this report shall not be deemed an admission that he is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (3)

- The DSUs credited to Mr. Taylor's account consist of (i) 3,487 DSUs for retainer fees that are required to be paid to directors in the form of DSUs and (ii) 3,814 DSUs for retainer fees that the director has elected to be paid in the form of DSUs. For purposes of the DSUs credited to Mr. Taylor's account, the value of each DSU was based on the weighted-average price at which the Company's Restricted Voting Shares traded on the Toronto Stock Exchange on December 12, 2011 and December 13, 2011 (the two trading days prior to the date on which the DSUs were credited to Mr. Taylor's account), which was \$1.10, as converted from C\$1.13 using the average of the closing rates of exchange from Reuters on December 12, 2011 and December 13, 2011.
- (4)

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.