

GREAT POINT PARTNERS LLC
 Form 4
 March 23, 2006

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 *
 GREAT POINT PARTNERS LLC

2. Issuer Name and Ticker or Trading Symbol
 ADVANCED MAGNETICS INC
 [AVM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/21/2006

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

165 MASON STREET, 3RD 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

GREENWICH, CT 06830

(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 | 03/21/2006 | | S | 260 | D | \$ 30.69 | 575,268 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | | S | 780 | D | \$ 31.1 | 574,488 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| | 03/21/2006 | | S | 260 | D | \$ 31 | 574,228 | I | |

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| | | | | | | | | |
|--------------|------------|---|-----|---|----------|---------|---|--|
| Common Stock | | | | | | | | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 260 | D | \$ 31.05 | 573,968 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 52 | D | \$ 30.76 | 573,916 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 104 | D | \$ 30.75 | 573,812 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 156 | D | \$ 30.74 | 573,656 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 52 | D | \$ 30.7 | 573,604 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 156 | D | \$ 30.5 | 573,448 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/21/2006 | S | 520 | D | \$ 30.6 | 572,928 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/22/2006 | S | 520 | D | \$ 30.56 | 572,408 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| | 03/22/2006 | S | 179 | D | | 572,229 | I | |

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| | | | | | | | | | |
|--------------|------------|--|---|---------|----------|----------|-----------------------|---|--|
| Common Stock | | | | | \$ 30.61 | | | | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/22/2006 | | S | 861 | D | \$ 30.6 | 571,368 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/22/2006 | | S | 209,040 | D | \$ 30.7 | 362,328 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/22/2006 | | S | 520 | D | \$ 30.72 | 361,808 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | 03/22/2006 | | S | 520 | D | \$ 30.8 | 361,288 | I | By Biomedical Offshore Value Fund, Ltd. ⁽¹⁾ |
| Common Stock | | | | | | | 52,630 ⁽²⁾ | D | |

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.

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | | | | Title | | |

| | | |
|-------------|------------|--------|
| Date | Expiration | Amount |
| Exercisable | Date | or |
| | | Number |
| | | of |
| | | Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| GREAT POINT PARTNERS LLC 165 MASON STREET 3RD FLOOR GREENWICH, CT 06830 | | X | | |
| JAY JEFFREY R GREAT POINT PARTNERS, LLC 165 MASON STREET, 3RD FLOOR GREENWICH, CT 06830 | | X | | |

Signatures

| | | |
|---|---------------------------------|------------|
| GREAT POINT PARTNERS, LLC By: /s/ Dr. Jeffrey R. Jay, M.D., as senior managing member | | 03/23/2006 |
| | **Signature of Reporting Person | Date |
| /s/ Dr. Jeffrey R. Jay, M.D. | | 03/23/2006 |
| | **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) Great Point Partners, LLC ("Great Point") is the investment manager of Biomedical Offshore Value Fund, Ltd. ("BOVF") and by virtue of such status may be deemed to be the beneficial owner of the shares held by BOVF. Dr. Jeffrey R. Jay, M.D., as senior managing member of Great Point ("Dr. Jay"), has voting and investment power with respect to the shares held by BOVF and may be deemed to be the beneficial owner of the shares held by BOVF. Great Point and Dr. Jay disclaim beneficial ownership of the shares held by BOVF, except to the extent of any pecuniary interest, and this report shall not be deemed to be an admission that they are the beneficial owners of such securities.
 - (2) Securities held directly by Dr. Jay. None of Biomedical Value Fund, L.P., BOVF or Great Point has any pecuniary interest in such securities.

Remarks:

Due to the maximum number of entries within an edgarized Form 4, this is Part 1 of 2 submissions constituting one Form 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.