

# SECURITIES AND EXCHANGE COMMISSION

## FORM 5

Annual statement of changes in beneficial ownership of securities

Filing Date: **2009-02-17** | Period of Report: **2008-12-31**

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### REPORTING OWNER

**Townsley Peter J**

CIK: **1429904**

Type: **5** | Act: **34** | File No.: [001-33304](#) | Film No.: **09614046**

Mailing Address  
7A COMMERCIAL WHARF  
WEST  
BOSTON MA 02110

Business Address  
6176240111

### ISSUER

**Converted Organics Inc.**

CIK: **1366340** | IRS No.: **204075963** | State of Incorporation: **DE** | Fiscal Year End: **1208**  
SIC: **2870** Agricultural chemicals

Mailing Address  
7A COMMERCIAL WHARF  
WEST  
BOSTON MA 02110

Business Address  
7A COMMERCIAL WHARF  
WEST  
BOSTON MA 02110  
617 624 0111

**FORM 5****UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

OMB Number: 3235-0362  
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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).

☐ Form 3 Holdings Reported

☐ Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN  
BENEFICIAL OWNERSHIP**

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

1. Name and Address of Reporting Person <b>Townsley Peter J</b>	2. Issuer Name and Ticker or Trading Symbol <b>Converted Organics Inc. [COIN]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>Chief Technology Officer</b>
(Last) (First) (Middle) <b>7A COMMERCIAL WHARF WEST</b>	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <b>12/31/2008</b>	
(Street) <b>BOSTON, MA 02110</b>	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Reporting (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D) Price			

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

Original, 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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Options (Right to Buy)	\$5.02						06/27/2008	06/27/2018	Common Stock	100,000		100,000	D	

**Remarks:**

Mr. Townsley resigned as Director and Chief Technology Officer of Converted Organics Inc., effective January 12, 2009.

**Signatures**

/s/ Peter J. Townsley

\*\* Signature of Reporting Person

02/17/2009

Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**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 Number.**