

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**

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REPORTING OWNER

McGowan Kathleen A

CIK: **1321074**

Type: **4** | Act: **34** | File No.: **000-26422** | Film No.: **06513058**

Mailing Address

2600 KELLY DRIVE

SUITE 100

WARRINGTON PA 18976

Business Address

215-488-9300

ISSUER

DISCOVERY LABORATORIES INC /DE/

CIK: **946486** | IRS No.: **943171943** | State of Incorporation: **DE** | Fiscal Year End: **1231**

SIC: **2836** Biological products, (no diagnostic substances)

Mailing Address

2600 KELLY ROAD

SUITE 100

WARRINGTON PA 18976

Business Address

2600 KELLY ROAD

SUITE 100

WARRINGTON PA 18976

2154889300

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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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 McGowan Kathleen A			2. Issuer Name and Ticker or Trading Symbol DISCOVERY LABORATORIES INC /DE/ [DSCO]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Dir, Finance and Controller		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
2600 KELLY DRIVE, SUITE 100			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) WARRINGTON, PA 18976								
(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 ⁽¹⁾	07/21/2005		A	V	271	A	\$6.461	803	D	
Common Stock ⁽¹⁾	10/21/2005		A	V	271	A	\$6.45	1,074	D	
Common Stock ⁽²⁾	01/03/2006		A		2,500	A	\$ 0	3,574	D	

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 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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Incentive Stock Option (right to buy) ⁽³⁾	\$7.01	01/03/2006		A		20,000		01/03/2006	01/03/2016	Common Stock	20,000	\$ 0	20,000	D	

Explanation of Responses:

1. Transaction reported on Table I represents Issuer's matching stock contribution pursuant to 401(k) plan.
2. New restricted stock award shall fully vest on the date that Surfaxin for RDS first becomes widely commercially available, as such date is determined by the Company.
3. This employee stock option shall vest 25% on the date of the grant, and the balance shall vest in a series of three successive equal annual installments beginning with the first year anniversary of the grant.

Signatures

Kathleen A. McGowan

** Signature of Reporting Person

01/05/2006

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.