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

OMB APPROVAL table with OMB Number 3235-0076, Expires April 30, 2008, and estimated average burden of 16.00 hours per response.

FORM D NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION



Name of Offering ( check if this is an amendment and name has changed, and indicate change.) Series B Convertible Preferred Shares in Small Bone Innovations, Inc. Filing under (Check box(es) that apply): Rule 504 Rule 505 X Rule 506 Section 4(6) ULOE Type of Filing: X New Filing Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer Name of Issuer ( check if this is an amendment and name has changed, and indicate change.) SMALL BONE INNOVATIONS, INC. Address of Executive Offices (Number and Street, City, State, Zip Code) 505 Park Avenue, 14th Floor, New York, NY 10022 Telephone Number (Including Area Code) (212) 583-9700 Address of Principal Business Operations (Number and Street, City, State, Zip Code) (if different from Executive Offices) Telephone Number (Including Area Code) Brief Description of Business Small Bone Innovations, Inc. designs, manufactures and markets small bone and joint trauma, arthroplasty, and related medical products. Type of Business Organization corporation limited partnership, already formed other (please specify): limited liability company business trust limited partnership, to be formed

PROCESSED

Actual or Estimated Date of Incorporation or Organization: MONTH YEAR 0 5 0 4 Actual Estimated Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction)

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General Instructions

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6). When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Information Required: A new filing must contain all information requested. Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on the ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

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 control number.

Handwritten signature

**A. BASIC IDENTIFICATION DATA**

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general managing partners of partnership issuers; and
- Each general and managing partnership of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**Viscogliosi Brothers, LLC**

Full Name (Last name first, if individual)

**505 Park Avenue, 14<sup>th</sup> Floor, New York, NY 10022**

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**Michael Simpson**

Full Name (Last name first, if individual)

**505 Park Avenue, 14<sup>th</sup> Floor, New York, NY 10022**

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**David Leibel**

Full Name (Last name first, if individual)

**32189 Helium Street, Princeton, MN 55371**

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**John P. Kaelblein**

Full Name (Last name first, if individual)

**302 Harrison Avenue, Westfield, NJ 07090**

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**Anthony G. Viscogliosi**

Full Name (Last name first, if individual)

**505 Park Avenue, 14<sup>th</sup> Floor, New York, NY 10022**

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or **Managing Partner**

**John J. Viscogliosi**

Full Name (Last name first, if individual)

**505 Park Avenue, 14<sup>th</sup> Floor, New York, NY 10022**

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

**A. BASIC IDENTIFICATION DATA (continued)**

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**Kenneth S. Abramowitz**

Full Name (Last name first, if individual)

**369 Lexington Avenue, 17<sup>th</sup> Floor, New York, NY 10017**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**William Wachter**

Full Name (Last name first, if individual)

**4500 Riverside Drive, Palm Beach Gardens, FL 33410**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**Allen R. Ferguson**

Full Name (Last name first, if individual)

**880 Winter Street, Suite 330, Waltham, MA 02451**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**Thierry Marnay**

Full Name (Last name first, if individual)

**B.P. 20, 43171 Castelnau le Lez, France**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**NGN Biomed Opportunity I, L.P.**

Full Name (Last name first, if individual)

**369 Lexington Avenue, 17<sup>th</sup> Floor, New York, NY 10017**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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Check Box(es) that Apply:    Promoter   Beneficial Owner   Executive Officer   Director   General and/or  
Managing Partner

**3i Technology Partners II LP**

Full Name (Last name first, if individual)

**800 Winter Street, Suite 330, Waltham, MA 02451**

Business or Residence Address            (Number and Street, City, State, Zip Code)

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(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

**B. INFORMATION ABOUT OFFERING**

Yes No

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? .....  
 Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual? ..... **\$104,418**

Yes No

3. Does the offering permit joint ownership of a single unit? .....

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchases in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

**Viscogliosi & Company, Inc.**

Business or Residence Address (Number and Street, City, State, Zip Code)  
**505 Park Avenue, 14<sup>th</sup> Floor, New York, NY 10022**

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

**N/A**

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)

**N/A**

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt .....	\$0	\$0
Equity .....	\$0	\$0
( Common Preferred )		
Convertible Securities (including warrants) .....	\$16,978,261	\$0
Partnership Interests .....	\$0	\$0
Other (Specify) .....	\$0	\$0
Total .....	\$16,978,261	\$0

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number of Investors	Aggregate Dollar Amount of Purchases
Accredited Investors .....	0	\$0
Non-accredited Investors .....	0	\$0
Total (for filing under Rule 504 only) .....	0	\$0

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C - Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505 .....	N/A	\$0
Regulation A .....	N/A	\$0
Rule 504 .....	N/A	\$0
Total .....	N/A	\$0

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees .....	\$0
Printing and Engraving Costs .....	\$10,000
Legal Fees .....	\$200,000
Accounting Fees .....	\$0
Engineering Fees .....	\$0
Sales Commissions <u>See Exhibit A</u> .....	\$875,260
Other Expenses (identify) <u>Various blue sky filing fees</u> .....	\$50,000
Total .....	\$875,520

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

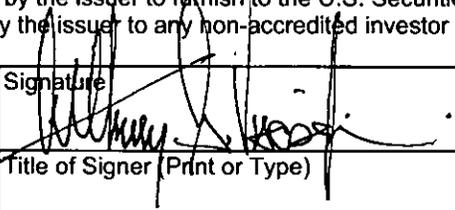
b. Enter the difference between the aggregate offering price given in response to Part C- Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer." ..... \$16,102,741

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C- Question 4.b. above.

	Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees .....	\$ _____	\$ _____
Purchase of real estate .....	\$ _____	\$ _____
Purchase, rental or leasing and installation of machinery and equipment .....	\$ _____	\$ _____
Construction or leasing of plant buildings and facilities .....	\$ _____	\$ _____
Acquisition of other business (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) .....	\$ _____	\$ _____
Repayment of indebtedness .....	\$ _____	\$ _____
Working capital. ....	\$16,102,741	\$ _____
Other (specify): _____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Column Totals .....	\$16,102,741	\$ _____
Total Payments Listed (column totals added) .....	\$16,102,741	

**D. FEDERAL SIGNATURE**

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type)	Signature	Date
<b>SMALL BONE INNOVATIONS, INC.</b>		<b>October 18, 2006</b>
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
<b>Anthony G. Viscogliosi</b>	<b>Chairman &amp; CEO</b>	

**ATTENTION**

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

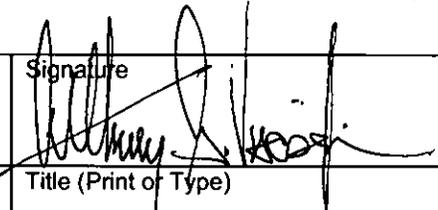
**E. STATE SIGNATURE**

1. Is any party described in 17 CFR 230.252(c), (d), (e) or (f) presently subject to any disqualification provisions of such rule? Yes    No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)	Signature	Date
<b>SMALL BONE INNOVATIONS, INC.</b>		<b>October 18, 2006</b>
Name of Signer (Print or Type)	Title (Print or Type)	
<b>Anthony G. Viscogliosi</b>	<b>Chairman &amp; CEO</b>	

*Instruction:*

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

**APPENDIX**

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of Security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No	Preferred Stock	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK		X	10,978,261	0	0	0	0		X
AZ		X	10,978,261	0	0	0	0		X
AR									
CA		X	10,978,261	0	0	0	0		X
CO		X	10,978,261	0	0	0	0		X
CT		X	16,978,261	0	0	0	0		X
DE									
DC									
FL		X	16,978,261	0	0	0	0		X
GA		X	10,978,261	0	0	0	0		X
HI		X	10,978,261	0	0	0	0		X
ID									
IL		X	10,978,261	0	0	0	0		X
IN		X	10,978,261	0	0	0	0		X
IA									
KS									
KY		X	10,978,261	0	0	0	0		X
LA									
ME									
MD		X	10,978,261	0	0	0	0		X
MA		X	16,978,261	0	0	0	0		X
MI		X	16,978,261	0	0	0	0		X
MN		X	10,978,261	0	0	0	0		X
MS		X	10,978,261	0	0	0	0		X
MO		X	10,978,261	0	0	0	0		X

**APPENDIX**

1 State	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of Security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
	Yes	No		Preferred Stock	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes
MT									
NE									
NV		X	10,978,261	0	0	0	0		X
NH									
NJ		X	10,978,261	0	0	0	0		X
NM									
NY		X	16,978,261	0	0	0	0		X
NC		X	10,978,261	0	0	0	0		X
ND									
OH		X	10,978,261	0	0	0	0		X
OK		X	10,978,261	0	0	0	0		X
OR		X	10,978,261	0	0	0	0		X
PA		X	10,978,261	0	0	0	0		X
RI									
SC									
SD									
TN		X	10,978,261	0	0	0	0		X
TX		X	10,978,261	0	0	0	0		X
UT		X	10,978,261	0	0	0	0		X
VT									
VA		X	10,978,261	0	0	0	0		X
WA		X	10,978,261	0	0	0	0		X
WV		X	10,978,261	0	0	0	0		X
WI									
WY									
PR		X	10,978,261	0	0	0	0		X

**Exhibit A**

The placement agent is entitled to (a) cash commissions equal to 8% of the gross proceeds received by the Company from the issuance (up to \$10,978,261 of the proceeds) and (b) warrants to acquire a number of shares of Series B Preferred Stock equal to 8% of up to 6,308,258 shares of B Preferred Stock issued in connection with the offering.