

Edgar Filing: Aeterna Zentaris Inc. - Form SC 13G/A

Aeterna Zentaris Inc.  
Form SC 13G/A  
October 11, 2006

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

SCHEDULE 13G/A  
Amendment No. 3

Under the Securities Exchange Act of 1934

Aeterna Zentaris Inc.

-----  
(Name of Issuer)

Common Stock, no par value

-----  
(Title of Class of Securities)

00797520

-----  
(CUSIP Number)

October 10, 2006

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which  
this Schedule is filed:

Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a  
reporting person's initial filing on this form with respect to the  
subject class of securities, and for any subsequent amendment  
containing information which would alter the disclosures provided  
in a prior cover page.

The information required in the remainder of this cover page shall  
not be deemed to be "filed" for the purpose of Section 18 of the  
Securities Exchange Act of 1934 ("Act") or otherwise subject to  
the liabilities of that section of the Act but shall be subject to  
all other provisions of the Act (however, see the Notes).

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CUSIP No. 007975204

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

North Sound Capital LLC (1)  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6 SHARED VOTING POWER

0

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

0

12 TYPE OF REPORTING PERSON\*

IA

(1) The shares described herein are held by North Sound Legacy Institutional Fund LLC and North Sound Legacy International Ltd. (the "Funds"). North Sound Capital LLC (the "Reporting Person") is the managing member and investment advisor, respectively, of the Funds and has voting and investment control with respect to the shares held by the Funds. Thomas McAuley is the Manager of the Reporting Person. Although each of the Reporting Person and Mr. McAuley may be deemed the beneficial owner of the shares held by the Funds pursuant to Rule 13d-3 under the Act, neither owns such shares directly. Each of the Reporting Person and Mr. McAuley disclaims beneficial ownership of the shares held by the Funds except to the extent of their respective economic interests in each Fund.

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Item 1(a). Name of Issuer:

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Aeterna Zentaris Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

1405 Parc-Technologique Boulevard  
Quebec, PQ G1P4P5  
Canada

Item 2(a). Name of Person Filing.

Item 2(b). Address of Principal Business Office or, if None, Residence.

Item 2(c). Citizenship.

North Sound Capital LLC  
20 Horseneck Lane  
Greenwich, CT 06830  
Delaware limited liability company

Item 2(d). Title of Class of Securities:

Common Stock, no par value

Item 2(e). CUSIP Number:

007975204

Item 3. If this statement is filed pursuant to ss.ss.240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

An investment adviser in accordance with  
ss.13d-1(b)(1)(ii)(E).

Item 4. Ownership.

The following is information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1 as of October 11, 2006:

(a) Amount beneficially owned: 0

(b) Percent of Class: 0

(c) Number of shares as to which such person has:

(i) sole power to vote or direct the vote: 0

(ii) shared power to vote or direct the vote: 0

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(iii) sole power to dispose or direct the  
disposition of: 0

(iv) shared power to dispose or direct the  
disposition of: 0

Item 5. Ownership of Five Percent or Less of a Class.

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- Item 6. Ownership of More than Five Percent on Behalf of Another Person.  
Not Applicable
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.  
Not Applicable
- Item 8. Identification and Classification of Members of the Group.  
Not Applicable
- Item 9. Notice of Dissolution of Group.  
Not Applicable
- Item 10. Certification.

Certification pursuant to ss.240.13d-1(b):

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: October 11, 2006

NORTH SOUND CAPITAL LLC

By: /s/ Thomas McAuley  
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Name: Thomas McAuley  
Title: Chief Investment Officer