Lee Patrick
Form 3
April 08, 2013

FORM 3

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

OMB APPROVAL

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INITIAL STATEMENT OF 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 *
Â Lee Patrick

(Last) (First) (Middle)

470 UNIVERSITY AVENUE

(Street)

PALO ALTO,Â CAÂ 94301

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
12/31/2012

3. Issuer Name **and** Ticker or Trading Symbol
ALIMERA SCIENCES INC [ALIM]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	13,508,402 (1) (2) (3) (4) (5)	I	See footnotes (1) (2) (3) (4) (5)

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)

	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Series A Convertible Preferred Stock	10/01/2012	Â (10)	Common Stock	7,594,936 (1) (2) (3) (4) (5)	$ 3.16 (6) (7)	I	See footnotes (1) (2) (3) (4) (5)
Warrant (right to buy) (11)	10/01/2012	10/02/2017	Series A Convertible Preferred Stock (8) (9)	180,000 (1) (2) (3) (4) (5)	$ 44 (8) (9)	I	See footnotes (1) (2) (3) (4) (5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lee Patrick 470 UNIVERSITY AVENUE PALO ALTO,Â CAÂ 94301	Â	Â X	Â	Â

Signatures

/s/ Patrick Lee	04/08/2013
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 5(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) Palo Alto Investors, LLC ("PAI LLC") is the General Partner of Micro Cap Partners, L.P. ("Micro Cap"), Palo Alto Healthcare Master Fund, L.P. ("Healthcare Master"), Palo Alto Healthcare Master Fund II, L.P. ("Healthcare Master II"), Palo Alto Healthcare Fund L.P. ("Healthcare LP"), Palo Alto Healthcare Fund II L.P. ("Healthcare II LP") and Palo Alto Micro Cap Liquidating Fund, L.P. ("Liquidating Fund").

(2) Patrick Lee, M.D. is the co-managing member of PAI LLC.

(3) Dr. Lee may be deemed to beneficially own the Common Stock, Series A Convertible Preferred Stock and Warrants owned directly by Micro Cap, Healthcare Master, Healthcare Master II and Liquidating Fund, and beneficially owned indirectly by Healthcare LP and Healthcare II LP. Dr. Lee disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein. Reported holdings include the following held directly by Micro Cap, Healthcare Master, Healthcare Master II and Liquidating Fund: Micro Cap -- 272,152 shares of Common Stock acquirable immediately upon conversion of 21,500 shares of Series A Convertible Preferred Stock, and an exercisable Warrant for 6,450 shares of Series A Convertible Preferred Stock, which could be immediately converted into 81,646 shares of Common Stock; [To be continued in Footnote (4)]

(4) Healthcare Master -- 1,216,563 shares of Common Stock, 2,926,582 shares of Common Stock acquirable immediately upon conversion of 231,200 shares of the Series A Convertible Preferred Stock, and an exercisable Warrant for 69,360 shares of Series A Convertible Preferred Stock, which could be immediately converted into 877,975 shares of Common Stock; Healthcare Master II -- 1,668,230 shares of Common Stock, 4,396,202 shares of Common Stock acquirable immediately upon conversion of 347,300 shares of the Series A Convertible Preferred Stock, and an exercisable Warrant for 104,190 shares of Series A Convertible Preferred Stock, which could be immediately converted into 1,318,861 shares of Common Stock; and Liquidating Fund -- 750,191 shares of Common Stock, which were acquired from Micro Cap. [To be continued in Footnote (5)]

(5) Healthcare LP owns 87.59% of the limited partnership interests in Healthcare Master. Healthcare II LP owns 79.79% of the limited partnership interests in Healthcare Master II.

(6) The initial conversion price of Series A Convertible Preferred Stock into common stock is $2.91. If shares of Series A Convertible Preferred Stock are voluntarily converted by Micro Cap, Healthcare Master or Healthcare Master II prior to or on June 30, 2013,

however, the conversion price from Series A Preferred into common stock is $3.16. Accordingly, the amounts shown assume a conversion price of $3.16. The conversion price of the Series A Convertible Preferred Stock is subject to adjustment upon the occurrence of certain events. The conversion price shall be $3.16 if the National Institute for Health and Clinical Excellence in the United Kingdom ("NICE") issues final guidance (following the review of a Patient Access Scheme (as commonly used by NICE) if required) recommending ILUVIEN (a "Positive Guidance") provided that such Positive Guidance is issued on or before June 30, 2013. [To be continued in Footnote (7)]

(7) The conversion price shall be $2.66 if (i) NICE does not issue Positive Guidance by June 30, 2013; (ii) NICE issues final unappealable guidance (following the review of a Patient Access Scheme) failing to recommend ILUVIEN ("Negative Guidance"); or (iii) if Alimera Sciences, Inc. ceases to seek NICE approval of ILUVIEN. The conversion price shall remain $2.91 if, prior to the issuance by NICE of Positive Guidance and the issuance by NICE of Negative Guidance by July 1, 2013, the shares of Series A Convertible Preferred Stock are automatically converted or there is a liquidation transaction as provided in the Certificate of Designation of Alimera Sciences, Inc., filed on October 1, 2012.

(8) The amount or number of shares reported herein reflects the amount or number of shares of Series A Convertible Preferred Stock that may be acquired at an exercise price of $44 per share. Additionally, at the election of the holder, the Warrants provide for the option to purchase shares of Common Stock at an exercise price of $44 divided by the number of shares of Common Stock then issued or issuable upon conversion of one share of Series A Convertible Preferred Stock. [To be continued in Footnote (9)]

(9) If the holder elects to exercise the Warrant to purchase Common Stock, it would be entitled to purchase up to the number of shares of Common Stock as would be issuable upon conversion of the shares of Series A Convertible Preferred Stock subject to the Warrant. Accordingly, whether the holder elects to exercise its option to purchase Series A Convertible Preferred Stock or Common Stock pursuant to the Warrant, neither the number of shares of Common Stock ultimately acquirable nor the percentage ownership in Alimera Sciences, Inc. would be impacted.

(10) Series A Convertible Preferred Stock does not have an expiration date.

(11) Warrant to purchase Series A Convertible Preferred Stock or Common Stock (right to buy).

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.