

PANACOS PHARMACEUTICALS, INC.

Form 4

December 17, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN 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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Martin David E.

2. Issuer Name **and** Ticker or Trading
Symbol
PANACOS PHARMACEUTICALS,
INC. [PANC]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O PANACOS
PHARMACEUTICALS, INC., 134
COOLIDGE AVENUE

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2007

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Senior VP, Drug Development

(Street)
WATERTOWN, MA 02472

4. 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

(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	12/14/2007		P		10,000	A	\$ 0.88
					90,000 ⁽¹⁾	D	

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

**Persons who respond to the collection of
information contained in this form are not
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SEC 1474
(9-02)

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

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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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Martin David E.
C/O PANACOS PHARMACEUTICALS, INC.
134 COOLIDGE AVENUE
WATERTOWN, MA 02472

Senior VP, Drug Development

Signatures

/s/ David Martin 12/17/2007

__Signature of
Reporting Person Date

Explanation of Responses:

* 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).

(1) Of the total number of shares of the Company's common stock beneficially owned by Mr. Martin, 55,000 are shares unvested restricted common stock. Vesting of 25,000 restricted shares will occur at the earlier of (1) an accomplishment by the Company of a specific milestone, as described in the applicable Restricted Stock Agreement, (2) November 2, 2010, the third anniversary of the grant date, or (3) a change of control, as described in the applicable Restricted Stock Agreement. Vesting of 30,000 restricted shares will occur at the earlier of (1) an accomplishment by the Company of a specific milestone, as described in the applicable Restricted Stock Agreement, or (2) October 26, 2011.

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

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