

VITAL LIVING INC
Form 4
June 15, 2006

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
SKYEPHARMA PLC

(Last) (First) (Middle)
105 PICCADILLY
(Street)
LONDON, ENGLAND W1J 7NJ
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VITAL LIVING INC [VTLV.OB]

3. Date of Earliest Transaction
(Month/Day/Year)
06/13/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

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 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)
Common Stock	06/13/2006		J ⁽¹⁾	12,500,000 A	29,493,599	D	

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

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(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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
12% Senior Secured Convertible Notes	\$ 0.25 ⁽²⁾	06/13/2006		J		12/17/2003	12/17/2008	Common Stock	4,000,000
Series D Convertible Preferred Stock	\$ 1	06/13/2006		J		08/18/2003	⁽³⁾	Common Stock	1,000,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SKYEPHARMA PLC 105 PICCADILLY LONDON, ENGLAND W1J 7NJ			X	

Signatures

/s/ Douglas
Parkhill

06/15/2006

**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) Pursuant to an agreement between the Issuer, SkyePharma and VTLV LLC dated June 13, 2006, SkyePharma received 12,500,000 shares of Common Stock from the Issuer in exchange for the termination of certain outstanding debts owed by the Issuer to SkyePharma. Also under this agreement as of June 13, 2006, VTLV LLC purchased the Senior Secured Convertible Notes and the shares of Series D Convertible Stock from SkyePharma for \$416,666.
- (2) The Issuer and a majority of the holders of the Notes agreed to adjust effective October 15, 2004 the conversion price of the Notes from \$0.95 to \$0.25, resulting in an increase in the number of shares issuable upon conversion of \$1,000,000 aggregate principal amount of the Notes from 1,052,632 shares to 4,000,000 shares of Common Stock. As a result of standard anti-dilution adjustments in June and July 2004, the conversion price of the Notes had previously been reset to \$0.95 from \$1.00.
- (3) None.

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.