

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
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|  |   |  |
|--|---|--|
| 1. Name and Address of Reporting Person*<br><u>TANG KEVIN C</u><br><br>(Last) (First) (Middle)<br>4401 EASTGATE MALL<br><br>(Street)<br>SAN DIEGO CA 92121<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>AP PHARMA INC /DE/ [ APPA ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below)                   |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br>10/31/2008                    |  |
|  | 4. If Amendment, Date of Original Filed (Month/Day/Year)                          | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price    |   |  |   |
| Common Stock                    | 10/31/2008                           |  | P                              |   | 336,300   | A          | \$0.6068 | 6,561,993   | I <sup>(1)</sup>   | By LP <sup>(1)</sup>                                  |
| Common Stock                    |                                      |  |                                |   |   |            |          | 286,950   | I <sup>(2)</sup>   | As Trustee <sup>(2)</sup>                             |
| Common Stock                    |                                      |  |                                |   |   |            |          | 42,950  | D <sup>(3)</sup>   |   |

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

| 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) |   | 6. Date Exercisable and Expiration Date (Month/Day/Year) |     | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) |   |  |  |   |  |

|   |
|---|
| 1. Name and Address of Reporting Person*<br><u>TANG KEVIN C</u><br><br>(Last) (First) (Middle)<br>4401 EASTGATE MALL<br><br>(Street)<br>SAN DIEGO CA 92121<br><br>(City) (State) (Zip)                |
| 1. Name and Address of Reporting Person*<br><u>TANG CAPITAL MANAGEMENT LLC</u><br><br>(Last) (First) (Middle)<br>4401 EASTGATE MALL<br><br>(Street)<br>SAN DIEGO CA 92121<br><br>(City) (State) (Zip) |
| 1. Name and Address of Reporting Person*<br><u>TANG CAPITAL PARTNERS LP</u><br><br>(Last) (First) (Middle)  |

4401 EASTGATE MALL

(Street)

SAN DIEGO

CA

92121

(City)

(State)

(Zip)

**Explanation of Responses:**

1. The securities are held by Tang Capital Partners, L.P. Kevin C. Tang is the sole manager of Tang Capital Management, LLC, which is the general partner of Tang Capital Partners, L.P. Mr. Tang disclaims beneficial ownership of the securities except to the extent of his pecuniary interest therein.
2. The securities are held by Kevin C. Tang as custodian for his minor children, as Trustee of the Tang Family Trust, and as Trustee of the Tang Advisors, LLC Profit Sharing Plan.
3. The securities are held by Kevin C. Tang's IRA.

**Remarks:**

/s/ Kevin C. Tang 11/04/2008

/s/ Kevin C. Tang, Managing 11/04/2008  
Member

/s/ Kevin C. Tang, as Managing  
Member of Tang Capital 11/04/2008  
Management, LLC, General  
Partner

\*\* Signature of Reporting Person      Date

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

\* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.