

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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|--------------------------|-----------|
| 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).

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

| | | |
|---|---|--|
| 1. Name and Address of Reporting Person* <u>KAPOOR JOHN N</u> (Last) (First) (Middle) <u>225 EAST DEERPATH ROAD</u> <u>SUITE 250</u> (Street) <u>LAKE FOREST IL 60045</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>AKORN INC [AKN]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>09/15/2006</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 09/15/2006 | | X ⁽¹⁾ | | 3,578,333 | A | \$1 | 27,690,287 | I | See footnote ⁽²⁾ |
| Common Stock | 09/15/2006 | | F | | 949,160 | D | \$3.77 | 26,741,127 | I | See footnote ⁽²⁾ |
| Common Stock | 09/15/2006 | | X ⁽¹⁾ | | 211,714 | A | \$1.1 | 26,952,841 | I | See footnote ⁽²⁾ |
| Common Stock | 09/15/2006 | | F | | 61,773 | D | \$3.77 | 26,891,068 | I | See footnote ⁽²⁾ |
| Common Stock | 09/15/2006 | | X ⁽¹⁾ | | 880,000 | A | \$1.1 | 27,771,068 | I | See footnote ⁽²⁾ |
| Common Stock | 09/15/2006 | | F | | 256,764 | D | \$3.77 | 27,514,304 | I | See footnote ⁽²⁾ |
| Common Stock | | | | | | | | 402,518 | D | |

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) | | 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 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) | Date Exercisable | Expiration Date | | | | | | Title |
| Warrants ⁽³⁾ | \$1 | 09/15/2006 | | X | | 3,578,333 | | 10/07/2003 | 10/07/2006 | Common Stock | 3,578,333 | \$0 | 0 | D | |
| Warrants ⁽³⁾ | \$1.1 | 09/15/2006 | | X | | 211,714 | | 10/07/2003 | 10/07/2006 | Common Stock | 211,714 | \$0 | 0 | D | |
| Warrants ⁽³⁾ | \$1.1 | 09/15/2006 | | X | | 880,000 | | 10/07/2003 | 10/07/2006 | Common Stock | 880,000 | \$0 | 0 | D | |

Explanation of Responses:

- Exempt under Rule 16b-6(b).
- Securities held through various limited partnerships and trusts. Dr. Kapoor disclaims beneficial ownership of such shares except to the extent of his pecuniary interest.
- On October 7, 2003 various Kapoor trusts, along with other investors, consummated a recapitalization transaction involving Akorn, Inc. by purchasing all of Akorn, Inc.'s outstanding senior debt from The Northern Trust Company. In return for its contribution, the trusts received from Akorn: 107,350 shares of Series A 6% Participating Convertible Preferred Stock and warrants to purchase 3,578,333 Akorn Shares at \$1.00 per share. Additionally, the trusts made a loan to Akorn in the principal amount of \$2,117,139.03. In consideration for its loan, the trusts received warrants to purchase 211,714 Shares at \$1.10 per share. Separately, the trusts agreed to serve as guarantor for a credit facility between LaSalle National Bank Association, Akorn, Inc., and Akorn (New Jersey), Inc., for which it received warrants to purchase 880,000 Shares at \$1.10 per share.

/s/ Rao Akella, as Attorney-In-Fact 09/19/2006

** 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.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that I, John N. Kapoor, Ph.D., hereby constitute and appoint Rao Akella, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution for me and in my name, place and stead, to sign any reports on Form 3 (Initial Statement of Beneficial Ownership of Securities), Form 4 (Statement of Changes in Beneficial Ownership of Securities) and Form 5 (Annual Statement of Beneficial Ownership of Securities) relating to transactions by me in Common Shares or other securities of Akorn Inc. and all amendments thereto, and to file the same, with the Securities and Exchange Commission and the appropriate securities exchange, granting unto said attorneys-in-fact and agents, and each of them, or their substitutes, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or their substitutes, may lawfully do or cause to be done by virtue hereof. This Power of Attorney shall be effective until such time as I deliver a written revocation thereof to the above-named attorneys-in-fact and agents.

Dated: September 18, 2006

/s/ John N. Kapoor, Ph.D.
John N. Kapoor, Ph.D.