

| OMB APPROVAL | |
|--------------------------|-----------|
| OMB Number: | 3235-0287 |
| Estimated average burden | |
| hours per response: | 0.5 |

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

| | | |
|--|---|--|
| 1. Name and Address of Reporting Person* <u>KAPOOR JOHN N</u> (Last) (First) (Middle) 225 EAST DEERPATH ROAD SUITE 250 (Street) LAKE FOREST IL 60045 (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>01/13/2006</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 <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 | 01/13/2006 | | C ⁽¹⁾ | | 16,382,297 ⁽³⁾ | A | \$0.75 | 17,234,097 | I | See footnote ⁽²⁾ |
| Common Stock | | | | | | | | 39,316 | D | |
| Common Stock | | | | | | | | 3,380,684 | I | See footnote ⁽⁵⁾ |
| Common Stock | | | | | | | | 63,600 | I | Children ⁽⁵⁾ |

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 |
| Series A 6.0% Participating Convertible Preferred Stock | \$0.75 ⁽¹⁾ | 01/13/2006 | | C ⁽¹⁾ | | | 107,350 | 10/07/2003 | 10/31/2011 ⁽⁴⁾ | Common Stock | 14,313,333 ⁽¹⁾ | (1) | 0 | I | See footnote ⁽²⁾ |

Explanation of Responses:

- In accordance with the issuer's restated articles of incorporation, all outstanding shares of Series A preferred stock immediately and automatically converted into shares of common stock on the day after the closing price per share of the common stock exceeded \$4.00 for twenty consecutive trading days. This event occurred on January 12, 2006. Consequently, all outstanding shares of Series A preferred stock automatically converted into shares of common stock on January 13, 2006 with a conversion price of \$0.75 based on the stated value per share of the Series A preferred stock (\$100.00). This conversion is exempt under Rule 16b-3(d) and Rule 16b-6(b).
- Held by the John N. Kapoor Trust dated September 20, 1989 of which John N. Kapoor is trustee and sole beneficiary.
- Includes 2,068,964 shares of common stock paid in kind towards accrued dividends on the Series A preferred stock.
- Mandatory Redemption on this date.
- Common stock held in various trusts and limited partnership's; reporting person disclaims beneficial ownership except to the extent of his pecuniary interest.

/s/ John N. Kapoor

01/18/2006

** 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.