

METABASIS THERAPEUTICS INC

Form SC 13G/A

February 12, 2008

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

SCHEDULE 13G/A

**Under the Securities Exchange Act of 1934
(Amendment No. 3)***

METABASIS THERAPEUTICS, INC

(Name of Issuer)

Common Stock

(Title of Class of Securities)

59101M 10 5

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 59101M 10 5

Page 2 of 16 Pages

NAME OF REPORTING PERSONS

1 InterWest Partners VII, LP

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
California

SOLE VOTING POWER

5

NUMBER OF 2,771,705

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 2,771,705

SHARED DISPOSITIVE POWER

8

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,771,705

10

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.0%

12

TYPE OF REPORTING PERSON

PN

CUSIP No. 59101M 10 5

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NAME OF REPORTING PERSONS

1 InterWest Investors VII, LP

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
California

SOLE VOTING POWER

5

NUMBER OF 132,731

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 132,731

SHARED DISPOSITIVE POWER

8

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

132,731

10

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

12

TYPE OF REPORTING PERSON

PN

CUSIP No. 59101M 10 5

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NAME OF REPORTING PERSONS

1 InterWest Management Partners VII, LLC (the General Partner of InterWest Partners VII, LP and InterWest Investors VII, LP)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
California

SOLE VOTING POWER

5

NUMBER OF 2,904,436

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 2,904,436

SHARED DISPOSITIVE POWER

8

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

OO

CUSIP No. 59101M 10 5

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NAME OF REPORTING PERSONS

1 Harvey B. Cash (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
United States

SOLE VOTING POWER

5

NUMBER OF 50,000

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,904,436

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 50,000

SHARED DISPOSITIVE POWER

8

2,904,436

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,954,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.6%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by Harvey B. Cash that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

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NAME OF REPORTING PERSONS

1 Philip T. Gianos (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2
(a)
(b)

3
SEC USE ONLY

4
CITIZENSHIP OR PLACE OF ORGANIZATION
United States

5
SOLE VOTING POWER
NUMBER OF 0

6
SHARED VOTING POWER
SHARES BENEFICIALLY OWNED BY 2,904,436

7
SOLE DISPOSITIVE POWER
REPORTING PERSON WITH 0

8
SHARED DISPOSITIVE POWER
2,904,436

9
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by Philip T. Gianos that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

CUSIP No. 59101M 10 5

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NAME OF REPORTING PERSONS

1 W. Scott Hedrick (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 United States

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,904,436

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 0

SHARED DISPOSITIVE POWER

8

2,904,436

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by W. Scott Hedrick that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

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NAME OF REPORTING PERSONS

1 W. Stephen Holmes III (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
 (a)
 (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
 United States

5 SOLE VOTING POWER
 NUMBER OF 0

6 SHARES BENEFICIALLY OWNED BY 2,904,436
 SHARED VOTING POWER

7 REPORTING PERSON WITH 0
 SOLE DISPOSITIVE POWER

8 SHARED DISPOSITIVE POWER
 2,904,436

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by W. Stephen Holmes III that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

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NAME OF REPORTING PERSONS

1 Gilbert H. Kliman (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 United States

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,904,436

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 0

SHARED DISPOSITIVE POWER

8

2,904,436

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by Gilbert H. Kliman that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

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NAME OF REPORTING PERSONS

1 Arnold L. Oronsky (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4
United States

SOLE VOTING POWER

5

NUMBER OF 46,666

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,904,436

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 46,666

SHARED DISPOSITIVE POWER

8

2,904,436

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,951,102

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.6%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by Arnold L. Oronsky that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

CUSIP No. 59101M 10 5

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NAME OF REPORTING PERSONS

1 Thomas L. Rosch (a Managing Director of InterWest Management Partners VII, LLC)

I.R.S. IDENTIFICATION NO(S). OF ABOVE PERSON(S) (ENTITIES ONLY)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

United States

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 2,904,436

SOLE DISPOSITIVE POWER

7

REPORTING PERSON WITH 0

SHARED DISPOSITIVE POWER

8

2,904,436

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

2,904,436

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

10

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

9.4%

TYPE OF REPORTING PERSON

12

IN

Neither the filing of this statement on Schedule 13G nor any of its contents shall be deemed to constitute an admission by Thomas L. Rosch that he is the beneficial owner of any of the Common Stock referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of his pecuniary interest.

ITEM 1.

(a) NAME OF ISSUER : Metabasis Therapeutics, Inc.

(b) ADDRESS OF ISSUER S PRINCIPAL EXECUTIVE OFFICE :

11119 North Torrey Pines Road, La Jolla, CA 92037

ITEM 2.

(a) NAME OF PERSON(S) FILING:

InterWest Partners VII, LP (IWP VII)

InterWest Investors VII, LP (II VII)

InterWest Management Partners VII, LLC (IMP VII)

Harvey B. Cash (Cash)

Philip T. Gianos (Gianos)

W. Scott Hedrick (Hedrick)

W. Stephen Holmes III (Holmes)

Gilbert H. Kliman (Kliman)

Arnold L. Oronsky (Oronsky)

Thomas L. Rosch (Rosch)

(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE :

2710 Sand Hill Road, Second Floor, Menlo Park, CA 94025

(c) CITIZENSHIP/PLACE OF ORGANIZATION:

IWP VII: California
II VII: California
IMP VII: California
Cash: United States
Gianos: United States
Hedrick: United States
Holmes: United States
Kliman: United States
Oronsky: United States
Rosch: United States

(d) TITLE OF CLASS OF SECURITIES: Common Stock**(e) CUSIP NUMBER:** 59101M 10 5**ITEM 3. NOT APPLICABLE.****ITEM 4. OWNERSHIP.**

	IWP VII (1)	II VII (2)	IMP VII (3)	
Beneficial Ownership	2,771,705	132,731	2,904,436	
Percentage of Class	9.0%	0.4%	9.4%	
Sole Voting Power	2,771,705	132,731	2,904,436	
Shared Voting Power	0	0	0	
Sole Dispositive Power	2,771,705	132,731	2,904,436	
Shared Dispositive Power	0	0	0	
	Cash (4)	Gianos (4)	Hedrick (4)	
Beneficial Ownership	2,954,436	2,904,436	2,904,436	
Percentage of Class	9.6%	9.4%	9.4%	
Sole Voting Power	50,000	0	0	
Shared Voting Power	2,904,436	2,904,436	2,904,436	
Sole Dispositive Power	50,000	0	0	
Shared Dispositive Power	2,904,436	2,904,436	2,904,436	
	Holmes (4)	Kliman (4)	Oronsky (4)**	Rosch (4)
Beneficial Ownership	2,904,436	2,904,436	2,951,102	2,904,436
Percentage of Class	9.4%	9.4%	9.6%	9.4%
Sole Voting Power	0	0	46,666	0
Shared Voting Power	2,904,436	2,904,436	2,904,436	2,904,436
Sole Dispositive Power	0	0	46,666	0
Shared Dispositive Power	2,904,436	2,904,436	2,904,436	2,904,436

** Includes 46,666 shares issuable to Oronsky pursuant to outstanding options exercisable within 60 days of December 31, 2007.

(1) Includes 261,252 shares issuable pursuant to warrant exercise within 60 days of December 31, 2007.

- (2) Includes 12,511 shares issuable pursuant to warrant exercise within 60 days of December 31, 2007.
- (3) IMP VII is the general partner of IWP VII and II VII.
- (4) Cash, Gianos, Hedrick, Holmes, Kliman, Oronsky, and Rosch are Managing Directors of IMP VII.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Under certain circumstances set forth in the limited liability company operating agreement of IMP VII, the members of such limited liability company have the right to receive dividends from, or the proceeds from the sale of, the common stock of Issuer beneficially owned by such limited liability company.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

No reporting person is a member of a group as defined in section 240.13d-1(b)(1)(iii)(H) of the Act.

ITEM 9. NOTICE OF DISSOLUTION OF THE GROUP.

Not applicable.

ITEM 10. CERTIFICATION.

Not applicable.

EXHIBITS

Joint Filing Statement attached as Exhibit A.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 12, 2008

By: /s/ Harvey B. Cash

Name: Harvey B. Cash

By: /s/ Philip T. Gianos

Name: Philip T. Gianos

INTERWEST PARTNERS VII, LP

By: InterWest Management Partners VII, LLC
its General Partner

By: /s/ W. Stephen Holmes

Managing Director

INTERWEST INVESTORS VII, LP

By: /s/ W. Scott Hedrick

Name: W. Scott Hedrick

By: InterWest Management Partners VII, LLC
its General Partner

By: /s/ W. Stephen Holmes

Name: W. Stephen Holmes

By: /s/ W. Stephen Holmes

Managing Director

By: /s/ Gilbert H. Kliman

Name: Gilbert H. Kliman

INTERWEST MANAGEMENT PARTNERS VII, LLC

By: /s/ Arnold L. Oronsky

Name: Arnold L. Oronsky

By: /s/ W. Stephen Holmes

Managing Director

By: /s/ Thomas L. Rosch

Name: Thomas L. Rosch

EXHIBIT A
Joint Filing Statement

We, the undersigned, hereby express our agreement that the attached Schedule 13G is filed on behalf of each of us.

Date: February 12, 2008

INTERWEST PARTNERS VII, LP

By: /s/ Harvey B. Cash

By: InterWest Management Partners VII, LLC
its General Partner

Name: Harvey B. Cash

By: /s/ Philip T. Gianos

By: /s/ W. Stephen Holmes

Name: Philip T. Gianos

Managing Director

INTERWEST INVESTORS VII, LP

By: /s/ W. Scott Hedrick

By: InterWest Management Partners VII, LLC
its General Partner

Name: W. Scott Hedrick

By: /s/ W. Stephen Holmes

By: /s/ W. Stephen Holmes

Name: W. Stephen Holmes

Managing Director

By: /s/ Gilbert H. Kliman

Name: Gilbert H. Kliman

INTERWEST MANAGEMENT PARTNERS VII, LLC

By: /s/ Arnold L. Oronsky

Name: Arnold L. Oronsky

By: /s/ W. Stephen Holmes

Managing Director

By: /s/ Thomas L. Rosch

Name: Thomas L. Rosch