

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 13G**

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

**A.P PHARMA, INC.**

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(Name of Issuer)

**COMMON STOCK**

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(Title of Class of Securities)

**00202J203**

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(CUSIP Number)

**June 14, 2007**

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(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 disclosures provided in a prior cover page.

The information required on 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).

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Balanced Fund, LP

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

**5 SOLE VOTING POWER**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

None

**6 SHARED VOTING POWER**

588,111 (See Item 4)

**7 SOLE DISPOSITIVE POWER**

None

**8 SHARED DISPOSITIVE POWER**

588,111 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

588,111 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\***

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

1.91%

**12 TYPE OF REPORTING PERSON\***

OO

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Long Bias Fund, LP

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

5 SOLE VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

None

6 SHARED VOTING POWER

344,357 (See Item 4)

7 SOLE DISPOSITIVE POWER

None

8 SHARED DISPOSITIVE POWER

344,357 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

344,357 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

1.12%

**12 TYPE OF REPORTING PERSON\***

OO

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Balanced Offshore Fund, Ltd.

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Cayman Islands

**5 SOLE VOTING POWER**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

None

**6 SHARED VOTING POWER**

969,669 (See Item 4)

**7 SOLE DISPOSITIVE POWER**

None

**8 SHARED DISPOSITIVE POWER**

969,669 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

969,669 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

3.15 %

**12 TYPE OF REPORTING PERSON\***

CO

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Long Bias Offshore Fund, Ltd.

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Cayman Islands

**5 SOLE VOTING POWER**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

None

**6 SHARED VOTING POWER**

1,016,057 (See Item 4)

**7 SOLE DISPOSITIVE POWER**

None

**8 SHARED DISPOSITIVE POWER**

1,016,057 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

1,016,057 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

3.30%

**12 TYPE OF REPORTING PERSON\***

CO

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Capital Management, LLC

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

**5** SOLE VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

None

**6** SHARED VOTING POWER

932,468 (See Item 4)

**7** SOLE DISPOSITIVE POWER

None

**8** SHARED DISPOSITIVE POWER

932,468 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

932,468 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

3.03%

**12 TYPE OF REPORTING PERSON\***

OO

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Visium Asset Management, LLC

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

**5** SOLE VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

3,044,603 (See Item 4)

**6** SHARED VOTING POWER

None

**7** SOLE DISPOSITIVE POWER

3,044,603 (See Item 4)

**8** SHARED DISPOSITIVE POWER

None

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

3,044,603 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

9.89%

**12 TYPE OF REPORTING PERSON\***

OO

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**1 NAMES OF REPORTING PERSONS**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Atlas Master Fund, Ltd.

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***(a) (b) **3 SEC USE ONLY****4 CITIZENSHIP OR PLACE OF ORGANIZATION**

Cayman Islands

**5 SOLE VOTING POWER**

(See Item 4)

None

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH**6 SHARED VOTING POWER**

None 126,409 (See Item 4)

**7 SOLE DISPOSITIVE POWER**

(See Item 4)

None

**8 SHARED DISPOSITIVE POWER**

None 126,409 (See Item 4)

**9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

126,409 (See Item 4)

**10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*** 

Not Applicable

**11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

.41%

**12 TYPE OF REPORTING PERSON\***

CO



1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities Only)

Jacob Gottlieb

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5 SOLE VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

3,044,603 (See Item 4)

6 SHARED VOTING POWER

None (See Item 4)

7 SOLE DISPOSITIVE POWER

3,044,603 (See Item 4)

8 SHARED DISPOSITIVE POWER

None (See Item 4)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,044,603 (See Item 4)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

Not Applicable

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.89%

12 TYPE OF REPORTING PERSON\*

IN

\* SEE INSTRUCTIONS BEFORE FILLING OUT.

**Item 1** (a) Name of Issuer:

A.P. Pharma, Inc

(b) Address of Issuer's Principal Executive Offices:

123 Saginaw Drive, Redwood City, CA 94063

**Item 2** (a) – (c) This statement is filed on behalf of the following:

(1) Visium Balanced Fund, LP, a Delaware limited partnership (“VBF”), with its principal business office at c/o Visum Asset Management, LLC, 950 Third Avenue, New York, NY 10022.

(6) Visium Long Bias Fund, LP, a Delaware limited partnership (“VLBF”), with its principal business office at c/o Visum Asset Management, LLC, 950 Third Avenue, New York, NY 10022.

(7) Visium Balanced Fund Offshore, Ltd., a Cayman Islands corporation (“VBFO”), with its principal business office at c/o Morgan Stanley Fund Services (Cayman) Limited, P.O. Box 2681GT, Century yard, 4<sup>th</sup> Floor, Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands, British West Indies.

(8) Visium Long Bias Fund Offshore, Ltd., a Cayman Islands corporation (“VLBFO”), with its principal business office at c/o Morgan Stanley Fund Services (Cayman) Limited, P.O. Box 2681GT, Century yard, 4<sup>th</sup> Floor, Cricket Square, Hutchins Drive, Grand Cayman, Cayman Islands, British West Indies.

(9) Visium Asset Management, LLC, a Delaware limited liability company (“VAM”), with its principal business office at Visum Asset Management, LLC, 950 Third Avenue, New York, NY 10022. VAM is the investment advisor to each of VBF, VLBF, VBFO and VLBFO.

(10) Visium Capital Management, LLC, a Delaware limited liability company (“VCM”), with its principal business office c/o Visum Asset Management, LLC, 950 Third Avenue, New York, NY 10022. VCM is the General Partner of VBF an VLBF.

Atlas Master Fund, Ltd., (“AMF”) a Cayman Islands corporation (“AMF”), with its principal business office at c/o Walkers SPV Limited, Walker House, P.O. Box 908 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

(d) Title of Class of Securities:

Common Stock,

(e) CUSIP Number:

00202J203

**Item 3** If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

Not Applicable

**Item 4** Ownership:VBF(a) Amount Beneficially Owned:

588,111 shares

(b) Percent of Class:

1.91%

## (c) Number of Shares as to which person has:

## (i) sole power to vote or to direct vote:

None

## (ii) shared power to vote or to direct vote:

588,111 shares

## (iii) sole power to dispose or direct disposition of:

None

## (iv) shared power to dispose or to direct disposition of:

588,111 shares

VLBF(a) Amount Beneficially Owned:

344,357 shares

(b) Percent of Class:

1.12%

(c) Number of Shares as to which person has:

## (i) sole power to vote or to direct vote:

None

## (ii) shared power to vote or to direct vote:

344,357 shares

## (iii) sole power to dispose or direct disposition of:

None

## (iv) shared power to dispose or to direct disposition of:

344,357 shares

VBFO(a) Amount Beneficially Owned:

969,669 shares

(b) Percent of Class:

3.15%

(c) Number of Shares as to which person has:

## (i) sole power to vote or to direct vote:

None

## (ii) shared power to vote or to direct vote:

969,669 shares

(iii) sole power to dispose or direct disposition of:

None

(iv) shared power to dispose or to direct disposition of:

969,669 shares

VLBFO

(a) Amount Beneficially Owned:

1,016,057 shares

(b) Percent of Class:

3.30%

(c) Number of Shares as to which person has:

(i) sole power to vote or to direct vote:

None

(ii) shared power to vote or to direct vote:

1,016,057 shares

(iii) sole power to dispose or direct disposition of:

None

(iv) shared power to dispose or to direct disposition of:

1,016,057 shares

VAM

(a) Amount Beneficially Owned:

By virtue of its position as investment advisor to each of VBF, VLBF, VBFO and VLBFO as well as managing an account for AMF, VAM may be deemed to beneficially own the 3,044,603 shares of the Company's Common Stock beneficially owned by VBF, VLBF, VBFO and VLBFO as well as the shares of the Company's Common Stock in the AMF managed account.

(b) Percent of Class:

9.89%

(c) Number of Shares as to which person has:

(i) sole power to vote or to direct vote:

3,044,603 shares

(ii) shared power to vote or to direct vote:

None

(iii) sole power to dispose or direct disposition of:

3,044,603 shares

(iv) shared power to dispose or to direct disposition of:

None

VCM

(a) Amount Beneficially Owned:

By virtue of its position as General Partner to each of VBF and VLBF, VCM may be deemed to beneficially own the 932,468 shares of the Company's Common Stock beneficially owned by VBF and VLBF.

- (b) Percent of Class:  
3.03%
- (c) Number of Shares as to which person has:
- (i) sole power to vote or to direct vote:  
None
  - (ii) shared power to vote or to direct vote:  
932,468 shares
  - (iii) sole power to dispose or direct disposition of:  
None
  - (iv) shared power to dispose or to direct disposition of:  
932,468 shares

Jacob Gottlieb

- (a) Amount Beneficially Owned:  
By virtue of his position as the principal of VAM and the sole managing member of VCM, Dr. Gottlieb may be deemed to beneficially own the 3,044,603 shares of the Company's Common Stock beneficially owned by VAM.
- (b) Percent of Class:  
9.89%
- (c) Number of Shares as to which person has:
- (i) sole power to vote or to direct vote:  
3,044,603 shares
  - (ii) shared power to vote or to direct vote:  
None
  - (iii) sole power to dispose or direct disposition of:  
3,044,603 shares
  - (iv) shared power to dispose or to direct disposition of:  
None

Ownership:

AMF

- (a) Amount Beneficially Owned:  
126,409 shares
- (b) Percent of Class:  
.41%
- (c) Number of Shares as to which person has:
- (i) sole power to vote or to direct vote:  
None
  - (ii) shared power to vote or to direct vote:  
126,409 shares
  - (iii) sole power to dispose or direct disposition of:  
None

**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:

Not Applicable

**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:

Not Applicable

**Item 9** Notice of Dissolution of Group:

Not Applicable

**Item 10** Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**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: June 14, 2007

**VISIUM ASSET MANAGEMENT, LLC**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**VISIUM BALANCED FUND, LP**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**VISIUM CAPITAL MANAGEMENT, LLC**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**JACOB GOTTLIEB**

By: /s/ Mark Gottlieb  
Authorized Signatory

**VISIUM LONG BIAS FUND, LP**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**VISIUM BALANCED OFFSHORE FUND, LTD.**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**VISIUM LONG BIAS OFFSHORE FUND, LTD.**

By: /s/ Mark Gottlieb  
Mark Gottlieb  
Authorized Signatory

**ATLAS MASTER FUND, LTD.**

By: /s/ Matthew Siclari  
Authorized Signatory