

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 8, 2006  
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A.P. Pharma, Inc.

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(Exact name of registrant as specified in its charter)

000-16109

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(Commission File Number)

Delaware

94-2875566

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(State or other jurisdiction  
of incorporation)

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(I.R.S. Employer  
Identification No.)

123 Saginaw Drive  
Redwood City, CA 94063

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(Address of principal executive offices, with zip code)

(650) 366-2626

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(Registrant's telephone number, including area code)

N/A

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is  
intended to simultaneously satisfy the filing obligation of the  
registrant under any of the following provisions (see General  
Instruction A.2. below):

- Written communications pursuant to Rule 425 under the  
Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the  
Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b)  
under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c)  
under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Principal Officers; Election  
of Directors; Appointment of Principal Officer

At the meeting of the Board of Directors of A.P. Pharma, Inc.  
(the "Company") on August 8, 2006, Arthur T. Taylor was elected  
as a director of the Company, effective on August 14, 2006, to  
serve until the Company's 2007 annual meeting of stockholders.  
Mr. Taylor also was appointed a member of the Board's Audit  
Committee and Finance Committee.

As a non-employee director of the company, Mr. Taylor will  
receive an initial stock option grant of 25,000 shares of Common  
Stock on August 14, 2006, which will vest annually with respect  
to 25% of the total shares, and become fully exercisable four  
years from the date of grant. The option exercise price is the  
closing price of the Company's stock on the date of grant. Mr.  
Taylor will receive automatic annual option grants and annual  
restricted stock grants on the same terms as other non-employee  
directors. In addition, he will receive an annual cash director  
fee for his service as a non-employee member of the Board in the  
amount of \$15,000 and additional cash fees for attending Board  
and committee meetings. These stock and cash compensation  
arrangements are standard for non-employee members of the Board.

On August 14, 2006, the Company issued a press release announcing the election of Mr. Taylor to the Company's Board. The text of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99.1 Press release dated August 14, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

A.P. PHARMA, INC.

Date: August 14, 2006

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By: /s/ Gordon Sangster

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Gordon Sangster  
Chief Financial Officer

A.P. Pharma Logo

News Release

A.P. PHARMA NAMES ARTHUR TAYLOR TO BOARD OF DIRECTORS

REDWOOD CITY, Calif. (August 14, 2006) - A.P. Pharma, Inc. (NASDAQ: APPA), a specialty pharmaceutical company, today announced that Arthur T. Taylor has joined the Company's board of directors. Mr. Taylor has over 20 year's financial executive experience in the medical device, pharmaceutical and technology industries, and is currently Chief Operating Officer and Chief Financial Officer for Kyphon Inc., a medical device company based in Sunnyvale, California.

"We are very pleased with Art's appointment to our board," said Michael O'Connell, A.P. Pharma's president and chief executive officer. "His financial and business development experience across a wide range of healthcare and technology growth companies will be an important asset as we continue to leverage our technology platform. We look forward to working with Art as we execute our growth plan and develop new business opportunities."

Mr. Taylor's background includes Chief Financial Officer positions with Terayon Communication Systems, Evolve Software, Docent, and Resound Corporation. He has also held senior financial positions with 3Com Corporation and Allergan, Inc.

Mr. Taylor's appointment brings A.P. Pharma's board membership to eight, including six independent directors. Mr. Taylor will serve on the board's audit and finance committees.

About A.P. Pharma

A.P. Pharma is a specialty pharmaceutical company focused on the development of ethical (prescription) pharmaceuticals utilizing its proprietary polymer-based drug delivery systems. The Company's primary focus is the development and commercialization of its bioerodible injectable and implantable systems under the trade name Biochronomer. Initial target areas of application for the Company's drug delivery technology include anti-nausea, pain management, anti-inflammation and DNA/RNAI applications. For further information visit the Company's web site at [www.appharma.com](http://www.appharma.com).

Forward-looking Statements

Except for historical information, this news release contains certain forward-looking statements that involve risks and uncertainties including, among others, uncertainty associated with timely development, approval, launch and acceptance of new products, satisfactory completion of clinical studies, establishment of new corporate alliances and progress in research and development programs. Other risks and uncertainties associated with the Company's business and prospects are identified in the Company's filings with the Securities and Exchange Commission. The Company does not intend to revise these forward-looking statements to reflect events or circumstances occurring in the future.

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