

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

ACURA PHARMACEUTICALS, INC.
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

4063691 08 7
(CUSIP Number)

MARTIN P. SUTTER
ESSEX WOODLANDS HEALTH VENTURES FUND V, L.P.
10001 WOODLOCH FOREST DRIVE, SUITE 175
THE WOODLANDS, TEXAS 77380
(281) 364-1555
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

AUGUST 13, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

*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).

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 2 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Essex Woodlands Health Ventures Fund V, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

56,810,375

SHARES

8. SHARED VOTING POWER

-0-

BENEFICIALLY

OWNED BY EACH

9. SOLE DISPOSITIVE POWER

REPORTING

56,810,375

PERSON

10. SHARED DISPOSITIVE POWER

WITH

-0-

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

PN

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 3 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Essex Woodlands Health Ventures V, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

NUMBER OF

56,810,375

SHARES

8. SHARED VOTING POWER

-0-

BENEFICIALLY

OWNED BY EACH

9. SOLE DISPOSITIVE POWER

REPORTING

56,810,375

PERSON

10. SHARED DISPOSITIVE POWER

WITH

-0-

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

00

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 4 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

James L. Currie

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8. SHARED VOTING POWER

56,810,375

BENEFICIALLY

OWNED BY EACH

9. SOLE DISPOSITIVE POWER

REPORTING

-0-

PERSON

10. SHARED DISPOSITIVE POWER

WITH

56,810,375

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

IN

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 5 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Martin P. Sutter

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8. SHARED VOTING POWER

56,810,375

BENEFICIALLY

9. SOLE DISPOSITIVE POWER

-0-

OWNED BY EACH

REPORTING

PERSON

10. SHARED DISPOSITIVE POWER

56,810,375

WITH

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

IN

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 6 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Immanuel Thangaraj

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8. SHARED VOTING POWER

56,810,375

BENEFICIALLY

9. SOLE DISPOSITIVE POWER

-0-

OWNED BY EACH

REPORTING

PERSON

10. SHARED DISPOSITIVE POWER

56,810,375

WITH

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

IN

SCHEDULE 13D

CUSIP NO. 4063691 08 7

Page 7 of 14 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

J. Douglas Eplett

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐(b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) OR 2(e)

☐

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER

NUMBER OF

-0-

SHARES

8. SHARED VOTING POWER

56,810,375

OWNED BY EACH

9. SOLE DISPOSITIVE POWER

REPORTING

-0-

PERSON

10. SHARED DISPOSITIVE POWER

WITH

56,810,375

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

56,810,375

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

72.1%

14. TYPE OF REPORTING PERSON

IN

Item 1. Security and Issuer

This statement on Schedule 13D relates to 56,810,375 shares of common stock, \$0.01 par value per share (the "Common Stock"), of Acura Pharmaceuticals, Inc. (the "Company"). Of the 56,810,375 shares beneficially owned, (i) 206,170 shares are currently held by the Partnership (as defined below); (ii) 33,909,751 represent shares that are convertible on a 5-for-1 basis from 6,781,950 shares of Series A Preferred Stock currently held by the Partnership; (iii) 6,756,207 represent shares that are convertible on a 1-for-1 basis from shares of Series B Preferred Stock currently held by the Partnership; (iv) 15,593,247 represent shares that are convertible on a 1-for-1 basis from shares of Series C-3 Preferred Stock currently held by the Partnership and (v) 345,000 shares may be acquired upon the exercise of a Common Stock Purchase Warrant. The Company's principal executive offices are located at 695 North Perryville Road, Rockford, Illinois 61107.

Item 2. Identity and Background

(a) This Schedule 13D is being filed jointly by Essex Woodlands Health Ventures Fund V, L.P., a Delaware limited partnership (the "Partnership"), Essex Woodlands Health Ventures V, L.L.C., a Delaware limited liability company, the general partner of the Partnership (the "General Partner"), James L. Currie, an individual, Martin P. Sutter, an individual, Immanuel Thangaraj, an individual, and J. Douglas Eplett, an individual (each a "Manager", collectively, the "Managers", together with the Partnership and the General Partner, the "Reporting Persons").

(b) The address of the principal business of each of the Reporting Persons is 10001 Woodloch Forest Drive, Suite 175, The Woodlands, Texas 77380.

(c) The principal business of the Partnership is venture capital investments. The principal business of the General Partner is to act as the general partner of the Partnership. The principal business of the Managers is to direct the activities of the General Partner.

(d) None of the Reporting Persons have, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each Manager is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration

On December 20, 2002, the Partnership, along with other investors, entered into a Debenture Purchase Agreement ("2002 Purchase Agreement"), with the Company pursuant to which the Partnership purchased \$5,000,000 of the Company's 5% Convertible Senior Secured Debentures (the "2002 Debentures"). The Partnership also purchased an aggregate of \$2,200,000 in additional 5% Convertible Senior Secured Debentures during the year ending 2003 (the "2003 Debentures") pursuant to the 2002 Purchase Agreement.

On February 6, 2004, the Partnership, along with other investors, entered into a Debenture and Share Purchase Agreement ("2004 Purchase Agreement"), attached hereto as Exhibit 2, with the Company and pursuant to which the Partnership purchased an aggregate of \$4,315,767 of the Company's 5% Convertible Senior Secured Debentures (the "2004 Debentures", and collectively with the 2002 Debentures and 2003 Debentures the "Debentures"). In connection with the execution of the 2004 Purchase Agreement, the Partnership executed the Debenture Conversion Agreement dated February 6, 2004 (the "Conversion Agreement"), attached hereto as Exhibit 3 and further described herein. The 2002 Purchase Agreement was terminated by the Conversion Agreement.

On May 5, 2003 the Partnership received a Common Stock Purchase Warrant, attached hereto as Exhibit 4, to purchase 345,000 shares of Common Stock of the Company at a price of \$0.34 per share in exchange for a commitment by the Partnership to participate in the funding of the Company. On November 16, 2004, the Partnership received notice from the Company that the price of the Common Stock Purchase Warrant was being adjusted to \$0.1285 per share.

The Partnership received 40,115 shares of Common Stock on March 31, 2004, 74,362 shares of Common Stock on June 30, 2004 and 91,693 shares of Common Stock on September 30, 2004 as interest payments on a senior secured note (the "Note") made to the Company by several investors, including the Partnership, in an aggregate amount of \$5,000,000. The interest rate on the note is 4.5% over prime and the price for each payment was based upon the average of the closing prices of the Company's Common Stock for the twenty (20) days prior to the end of each quarter.

The purchase price for all of the Debentures and the Note was paid in cash from the working capital of the Partnership and not the assets of the General Partner nor the Managers.

Item 4. Purpose of Transaction

Pursuant to the Conversion Agreement, on August 13, 2004 the Partnership converted all of the convertible debentures it owned, which included (i) an aggregate of \$5,428,009, including \$428,009 in interest, of the 2002 Debentures into 15,593,247 shares of Series C-3 Preferred Stock; (ii) an aggregate of \$2,310,623, including \$110,623 in interest, of the 2003 Debentures into 6,756,207 shares of Series B Preferred Stock; and (iii) an aggregate of \$4,357,403, including \$41,636 in interest, of the 2004 Debentures into 6,781,950 shares of Series A Preferred Stock.

Prior to the Company's stockholder meeting on August 12, 2004, the Company did not have enough authorized and unreserved shares of its Common Stock available for issuance upon conversion of the Debentures. Therefore, holders of the Debentures, including the Partnership, having the right to vote as part of a single class with all holders of the Company's Common Stock, entered into a Voting Agreement, dated December 20, 2004, which was amended and restated by that certain Amended and Restated Voting Agreement, dated February 6, 2004 (the "2004 Voting Agreement"), attached hereto as Exhibit 5. The 2004 Voting Agreement obligated the Partnership to vote for amending the Company's Certificate of Incorporation to create a Series A Preferred, Series B Preferred and Series C Preferred Stock (collectively, the "Preferred Stock") for issuance upon conversion of the Debentures and increasing the number of authorized shares of Common Stock available for issuance upon the conversion of the Preferred Stock.

The Partnership has the right to designate for nomination a member to the Company's Board of Directors, which is evidenced by the 2004 Voting Agreement. If the designee so requests, the designee shall be appointed to the Company's Executive Committee, Compensation Committee and any other committee of the Board of Directors. Accordingly, the Partnership designated and the Company appointed Mr. Thangaraj to the Company's Board of Directors.

In connection with the 2004 Purchase Agreement, the Partnership, along with other investors, executed an Investor Rights Agreement, dated February 4, 2004 (the "Investor Rights Agreement"), attached hereto as Exhibit 6. So long as any of the Series A Preferred Stock is outstanding, the Investor Rights Agreement provides that the Company will not, without the prior consent of the holders of the Series A Preferred Stock, allow, among other things, any modification of the rights of the holders of the Series A Preferred, the issuance of any senior securities by the Company, certain distributions to

Company security holders and certain extraordinary corporate transactions by the Company. The Partnership also has a right to have a representative join the Company's Scientific Advisory Board, subject to the approval of the Board of Directors. The Investor Rights Agreement obligates the Company to obtain consent of the Series B Preferred and Series C Preferred stockholders prior to any adverse change in the rights, preferences or privileges of each.

The Investor Rights Agreement gives the Partnership a right of first refusal relating to any subsequent issuance, sale or exchange of any shares of the Common Stock or convertible securities to a third party. The Investor Rights Agreement contains conditions and limitations associated with the exercise of the right of first refusal.

The Partnership entered into an Amended and Restated Registration Rights Agreement dated February 6, 2004 (the "Registration Rights Agreement"), attached hereto as Exhibit 7, that provides the Partnership and certain other investors with the right to cause the Company to register the Common Stock issuable upon conversion of the Preferred Stock subject to certain conditions and limitations contained therein.

The above summary description of the 2002 Purchase Agreement, the 2004 Purchase Agreement, the Conversion Agreement, the Investor Rights Agreement, and the Registration Rights Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of the 2002 Purchase Agreement, the 2004 Purchase Agreement, the Conversion Agreement, the Investor Rights Agreement, and the Registration Rights Agreement which are incorporated herein by reference. The summary description of the modification of the 2002 Purchase Agreement is not intended to be complete and is qualified in its entirety by reference to the 2004 Purchase Agreement and all ancillary documents thereto.

The Reporting Persons acquired the Securities solely for the purpose of investment. The Reporting Persons may make additional purchases of the Company's securities either in the open market or in private transactions depending on the Company's business, prospects and financial condition, the market for the Company's securities, general economic conditions, money and stock market conditions and other future developments.

Except as described in this Schedule 13D or as set forth in the Exhibits attached hereto, none of the Reporting Persons has any present plan or proposal which relates to, or could result in, any of the events referred to in paragraphs (a) through (j), inclusive, of Item 4 of Schedule 13D. However, the Reporting Persons will continue to review the business of the Company and, depending upon one or more of the factors referred to above, may in the future propose that the Company take one or more such actions.

Item 5. Interest in Securities of the Partnership

TOTAL OUTSTANDING SHARES. According to information provided to the Reporting Persons by the Company, the number of shares of the Company's Common Stock outstanding on November 12, 2004 was 22,189,252.

THE PARTNERSHIP. As of the date of filing of this Schedule 13D, the Partnership is the holder of 206,170 shares of Common Stock, Series A, Series B and Series C-3 Preferred Stock convertible into 56,259,205 shares of Common Stock, and a warrant to purchase shares of Common Stock of the Company, which collectively represents approximately 72.1% of the Common Stock outstanding, and it has shared voting and investment power with respect to such securities.

THE GENERAL PARTNER. The General Partner of the Partnership may also be deemed to have shared voting and investment power with respect to such securities. The General Partner disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein.

MESSRS. CURRIE, SUTTER, THANGARAJ AND EPLETT. Under the operating agreement of the General Partner, Messrs. Currie, Sutter, Thangaraj and Eplett have the power by unanimous consent (i) to cause the Partnership to buy and sell marketable securities of portfolio companies and (ii) to direct the voting of such securities. As a result, Messrs. Currie, Sutter, Thangaraj and Eplett may also be deemed to have shared dispositive power and voting power with respect to the securities held by the Partnership. Messrs. Currie, Sutter, Thangaraj and Eplett disclaim beneficial ownership of such securities except to the extent of their respective pecuniary interests therein.

Except for the transactions described in this Schedule 13D, none of the Reporting Persons has effected any transactions in the securities of the Company during the past 60 days.

Item 6. Contracts, Arrangements, Understandings or Relationships with respect to Securities of the Company

See response to Item 4.

A copy of the 2004 Purchase Agreement is attached hereto as Exhibit 2 and is incorporated herein by reference.

A copy of the Conversion Agreement is attached hereto as Exhibit 3 and is incorporated herein by reference.

A copy of the Common Stock Purchase Warrant is attached hereto as Exhibit 4 and is incorporated herein by reference.

A copy of the Voting Agreement is attached hereto as Exhibit 5 and is incorporated herein by reference.

A copy of the Investor Rights Agreement is attached hereto as Exhibit 6 and is incorporated herein by reference.

A copy of the Registration Rights Agreement is attached hereto as Exhibit 7 and is incorporated herein by reference.

Except for the agreements and instruments described in the response to Item 4, to the best knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Company, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be filed as Exhibits

Exhibit 1: Joint Filing Agreement, dated November 2, 2004.

Exhibit 2: Debenture and Share Purchase Agreement, dated February 6, 2004, by and among the Company, the Partnership and the other parties listed on the signature page thereto. Exhibit 10.1 to the Company's Form 8-K as filed with the Commission on February 10, 2004 (the "Form 8-K") is incorporated herein by reference.

- Exhibit 3: Debenture Conversion Agreement, dated as of February 6, 2004, by and among the Company, the Partnership and the other parties listed on the signature page thereto. Exhibit 10.2 to the Form 8-K is incorporated herein by reference.
- Exhibit 4: Common Stock Purchase Warrant dated May 8, 2003 issued to the Partnership.
- Exhibit 5: Amended and Restated Voting Agreement, dated as of February 6, 2004, among the entities listed on the signature page thereto. Exhibit 10.5 to the Form 8-K is incorporated herein by reference.
- Exhibit 6: Investor Rights Agreement, dated as of February 6, 2004, by and among the Company, the Partnership and the parties listed on the signature page thereto. Exhibit 10.4 to the Form 8-K is incorporated herein by reference.
- Exhibit 7: Amended and Restated Registration Rights Agreement, dated as of February 6, 2004, by and between the Company, the Partnership and the parties listed on the signature page thereto. Exhibit 10.6 to the Form 8-K is incorporated herein by reference.

SIGNATURES

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

Date: December 7, 2004

ESSEX WOODLANDS HEALTH VENTURES FUND V, L.P.

By: Essex Woodlands Health Ventures Fund V,
L.L.C.

/s/ Martin P. Sutter

Name: Martin P. Sutter
Title: Managing Director

ESSEX WOODLANDS HEALTH VENTURES FUND V, L.L.C.

/s/ Martin P. Sutter

Name: Martin P. Sutter
Title: Managing Director

/s/ James L. Currie

Name: James L. Currie

/s/ Martin P. Sutter

Name: Martin P. Sutter

/s/ Immanuel Thangaraj

Name: Immanuel Thangaraj

/s/ J. Douglas Eplett

Name: J. Douglas Eplett

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
1	Joint Filing Agreement, dated November 2, 2004.
2	Debenture and Share Purchase Agreement, dated February 6, 2004, by and among the Company, the Partnership and the other parties listed on the signature page thereto. Exhibit 10.1 to the Company's Form 8-K as filed with the Commission on February 10, 2004 (the "Form 8-K") is incorporated herein by reference.
3	Debenture Conversion Agreement, dated as of February 6, 2004, by and among the Company, the Partnership and the other parties listed on the signature page thereto. Exhibit 10.2 to the Form 8-K is incorporated herein by reference.
4	Common Stock Purchase Warrant dated May 8, 2003 issued to the Partnership.
5	Amended and Restated Voting Agreement, dated as of February 6, 2004, among the entities listed on the signature page thereto. Exhibit 10.5 to the Form 8-K is incorporated herein by reference.
6	Investor Rights Agreement, dated as of February 6, 2004, by and among the Company, the Partnership and the parties listed on the signature page thereto. Exhibit 10.4 to the Form 8-K is incorporated herein by reference.
7	Amended and Restated Registration Rights Agreement, dated as of February 6, 2004, by and between the Company, the Partnership and the parties listed on the signature page thereto. Exhibit 10.6 to the Form 8-K is incorporated herein by reference.

EXHIBIT 1

JOINT FILING AGREEMENT

Each of the undersigned agrees that (i) the statement on Schedule 13D relating to the Common Stock of Acura Pharmaceuticals, Inc., has been adopted and filed on behalf of each of them, (ii) all future amendments to such statement on Schedule 13D will, unless written notice to the contrary is delivered as described below, be jointly filed on behalf of each of them, and (iii) the provisions of Rule 13d-1(k)(1) under the Securities Exchange Act of 1934 apply to each of them. This agreement may be terminated with respect to the obligations to jointly file future amendments to such statement on Schedule 13D as to any of the undersigned upon such person giving written notice thereof to each of the other persons signature hereto, at the principal office thereof.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Date: December 7, 2004

ESSEX WOODLANDS HEALTH VENTURES FUND V, L.P.

By: Essex Woodlands Health Ventures Fund V,
L.L.C.

/s/ Martin P. Sutter

Name: Martin P. Sutter
Title: Managing Director

ESSEX WOODLANDS HEALTH VENTURES FUND V, L.L.C.

/s/ Martin P. Sutter

Name: Martin P. Sutter
Title: Managing Director

/s/ James L. Currie

Name: James L. Currie

/s/ Martin P. Sutter

Name: Martin P. Sutter

/s/ Immanuel Thangaraj

Name: Immanuel Thangaraj

/s/ J. Douglas Eplett

Name: J. Douglas Eplett

WARRANT TO PURCHASE
COMMON STOCK, PAR VALUE \$.01 PER SHARE

OF

HALSEY DRUG CO., INC.

THIS WARRANT AND THE COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") NOR UNDER ANY STATE SECURITIES LAW AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNTIL (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAW OR (2) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE HOLDER OF SUCH WARRANT REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH WARRANT AND/OR COMMON STOCK MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

This certifies that, for value received, ESSEX WOODLANDS HEALTH VENTURES V, L.P. or its registered assigns ("WARRANTHOLDER"), is entitled to purchase from HALSEY DRUG CO., INC. (the "COMPANY"), subject to the provisions of this Warrant, at any time during the Exercise Period (as hereinafter defined) 345,000 shares of the Company's Common Stock, par value \$.01 per share ("WARRANT SHARES"). The purchase price payable upon the exercise of this Warrant (the "WARRANT PRICE") shall be the lesser of (i) \$0.34 per Warrant Share and (ii) the consideration per share received by the Company for the Company's Common Stock, or conversion/exercise price per share of the Company's Common Stock issuable under convertible securities, issued by the Company in the first Subsequent Offering (as defined in Section 3(b) hereof) completed following the date of this Warrant.

For purposes of this Warrant, the term "EXERCISE PERIOD" means the period commencing on the date of issuance of this Warrant and ending on the seventh anniversary of such date.

This Warrant is subject to the following terms and conditions:

1. Exercise of Warrant.

(a) This Warrant may be exercised in whole or in part but not for a fractional share. Upon delivery of this Warrant at the offices of the Company or at such other address as the Company may designate by notice in writing to the registered holder hereof with the Subscription Form annexed hereto duly executed, accompanied by payment of the Warrant Price for the number of Warrant Shares purchased (in cash, by certified, cashier's or other check acceptable to the Company, by Common Stock or other securities of the Company having a market value equal to the aggregate Warrant Price for the Warrant Shares to be purchased, or any combination of the foregoing), the registered holder of this Warrant shall be entitled to receive a certificate or certificates for the Warrant Shares so purchased. Such certificate or certificates shall be promptly delivered to the Warrantholder. Upon any partial exercise of this Warrant, the Company shall execute and deliver a new Warrant of like tenor for the balance of the Warrant Shares purchasable hereunder.

(b) In lieu of exercising this Warrant pursuant to Section 1(a), the holder may elect to receive shares of Common Stock equal to the value of this Warrant determined in the manner described below (or any portion thereof remaining unexercised) upon delivery of this Warrant at the offices of the Company or at such other address as the Company may designate by notice in writing to the registered holder hereof with the Notice of Cashless Exercise Form annexed hereto duly executed. In such event the Company shall issue to the holder a number of shares of the Company's Common Stock computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

Where X = the number of shares of Common Stock to be issued to the holder.

Y = the number of shares of Common Stock purchasable under this Warrant (at the date of such calculation).

A = the Market Value of the Company's Common Stock on the business day immediately preceding the day on which the Notice of Cashless Exercise is received by the Company.

B = Warrant Price.

(c) The Warrant Shares deliverable hereunder shall, upon issuance, be fully paid and non-assessable and the Company agrees that at all times during the term of this Warrant it shall cause to be reserved for issuance such number of shares of its Common Stock as shall be required for issuance and delivery upon exercise of this Warrant.

(d) For purposes of Section 1(b) of this Warrant, the Market Value of a share of Common Stock on any date shall be equal to (A) the closing sale price per share as published by a national securities exchange on which shares of Common Stock are traded (an "EXCHANGE") on such date or, if there is no sale of Common Stock on such date, the average of the bid and asked prices on such Exchange at the close of trading on such date or, (B) if shares of

Common Stock are not listed on an Exchange on such date, the closing price per share as published on the National Association of Securities Dealers Automatic Quotation System ("NASDAQ") National Market System if the shares are quoted on such system on such date, or (C) the average of the bid and asked prices in the over-the-counter market at the close of trading on such date if the shares are not traded on an Exchange or listed on the NASDAQ National Market System, or (D) if the security is not traded on an Exchange or in the over-the-counter market, the fair market value of a share of Common Stock on such date as determined in good faith by the Board of Directors. If the holder disagrees with the determination of the Market Value of any securities of the Common Stock determined by the Board of Directors under Section 1(d)(i)(D), the Market Value shall be determined by an independent appraiser acceptable to the Company and the holder. If they cannot agree on such an appraiser, then each of the Company and the holder shall select an independent appraiser, such two appraisers shall select a third independent appraiser and Market Value shall be the average of the appraisals made by such appraisers. If there is one appraiser, the cost of the appraisal shall be shared equally between the Company and the holder. If there are three appraisers, each of the Company and the holder shall pay for its own appraiser and shall share equally the cost of the third appraiser.

2. Transfer or Assignment of Warrant.

(a) Any assignment or transfer of this Warrant shall be made by surrender of this Warrant at the offices of the Company or at such other address as the Company may designate in writing to the registered holder hereof with the Assignment Form annexed hereto duly executed and accompanied by payment of any requisite transfer taxes, and the Company shall, without charge, execute and deliver a new Warrant of like tenor in the name of the assignee for the portion so assigned in case of only a partial assignment, with a new Warrant of like tenor to the assignor for the balance of the Warrant Shares purchasable.

(b) Prior to any assignment or transfer of this Warrant, the holder thereof shall deliver an opinion of counsel to the Company to the effect that the proposed transfer may be effected without registration under the Securities Act of 1933, as amended (the "SECURITIES ACT") and any applicable state securities laws. Each Warrant issued upon or in connection with such transfer shall bear the restrictive legend set forth on the front of this Warrant unless, in the opinion of the Company's counsel, such legend is no longer required to insure compliance with the Securities Act.

3. Anti-Dilution Provisions.

(a) In the event that the Company shall at any time: (i) declare or pay to the holders of the Common Stock a dividend payable in any kind of shares of capital stock of the Company; or (ii) change or divide or otherwise reclassify its Common Stock into the same or a different number of shares with or without par value, or in shares of any class or classes; or (iii) transfer its property as an entirety or substantially as an entirety to any other company or entity; or (iv) make any distribution of its assets to holders of its Common Stock as a liquidation or partial liquidation dividend or by way of return of capital; then, upon the subsequent exercise of this Warrant, the holder thereof shall receive, in addition to or in substitution for the shares of Common Stock to which it would otherwise be entitled upon such exercise, such additional

shares of stock or scrip of the Company, or such reclassified shares of stock of the Company, or such shares of the securities or property of the company resulting from transfer, or such assets of the Company, which it would have been entitled to receive had it exercised these rights prior to the happening of any of the foregoing events.

(b) For purposes hereof, "Subsequent Offering" shall mean the grant or issuance of any shares of Common Stock, or the grant or issuance of any rights or options for the purchase of, or stock or other securities convertible into, Common Stock (such convertible stock or securities being herein collectively referred to as "CONVERTIBLE SECURITIES") for an aggregate gross consideration of at least \$1,000,000.

(c) Anything in this Section 3 to the contrary notwithstanding, a Subsequent Offering shall expressly exclude:

(i) the grant, issuance or exercise of any Convertible Securities pursuant to the Company's qualified or non-qualified Employee Stock Option Plans or any other bona fide employee benefit plan or incentive arrangement, adopted or approved by the Company's Board of Directors and approved by the Company's shareholders, as may be amended from time to time, or under any other bona fide employee benefit plan hereafter adopted by the Company's Board of Directors; or

(ii) the grant, issuance or exercise of any Convertible Securities in connection with the hire or retention of any officer, director or key employee of the Company, provided such grant is approved by the Company's Board of Directors; and

(iii) the issuance of any shares of Common Stock pursuant to the grant or exercise of Convertible Securities outstanding as of the date hereof or otherwise in connection with the Third Amendment (exclusive of any subsequent amendments thereto).

(d) If, at any time while this Warrant is outstanding, the Company shall pay any dividend payable in cash or in Common Stock, shall offer to the holders of its Common Stock for subscription or purchase by them any shares of stock of any class or any other rights, shall enter into an agreement to merge or consolidate with another corporation, shall propose any capital reorganization or reclassification of the capital stock of the Company, including any subdivision or combination of its outstanding shares of Common Stock or there shall be contemplated a voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall cause notice thereof to be mailed to the registered holder of this Warrant at its address appearing on the registration books of the Company, at least thirty (30) days prior to the record date as of which holders of Common Stock shall participate in such dividend, distribution or subscription or other rights or at least thirty (30) days prior to the effective date of the merger, consolidation, reorganization, reclassification or dissolution. Upon any adjustment of any Warrant Price, then and in each such case the Company shall promptly deliver a notice to the registered holder of this Warrant, which notice shall state the Warrant Price resulting from such

adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(e) If the Company is a party to a merger or other transaction which reclassifies or changes its outstanding Common Stock, upon consummation of such transaction this Warrant shall automatically become exercisable for the kind and amount of securities, cash or other assets which the holder of this Warrant would have owned immediately after such transaction if the holder had converted this Warrant at the Warrant Price in effect immediately before the effective date of the transaction. Concurrently with the consummation of such transaction, the person obligated to issue securities or deliver cash or other assets upon exercise of this Warrant shall execute and deliver to the holder a supplemental Warrant so providing and further providing for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided in this Section 3. The successor company shall mail to the holder a notice describing the supplemental Warrant.

If securities deliverable upon exercise of this Warrant, as provided above, are themselves convertible into or exercisable for the securities of an affiliate of a corporation formed, surviving or otherwise affected by the merger or other transaction, that issuer shall join in the supplemental Warrant which shall so provide. If this subsection 3(e) applies, subsection 3(a) does not apply.

4. Charges, Taxes and Expenses. The issuance of certificates for Warrant Shares upon any exercise of this Warrant shall be made without charge to the holder of this Warrant for any tax or other expense in respect to the issuance of such certificates, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued only in the name of the holder of this Warrant.

5. Miscellaneous.

(a) The terms of this Warrant shall be binding upon and shall inure to the benefit of any successors or assigns of the Company and of the holder or holders hereof and of the shares of Common Stock issued or issuable upon the exercise hereof.

(b) No holder of this Warrant, as such, shall be entitled to vote or receive dividends or be deemed to be a stockholder of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the holder of this Warrant, as such, any rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action, receive notice of meetings, receive dividends or subscription rights, or otherwise.

(c) Receipt of this Warrant by the holder hereof shall constitute acceptance of an agreement to the foregoing terms and conditions.

(d) The Warrant and the performance of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of New York wherein it was negotiated and executed and the parties hereunder consent and agree that the State and Federal

Courts which sit in the State of New York and the County of New York shall have exclusive jurisdiction with respect to all controversies and disputes arising hereunder.

(e) Shares issued upon exercise of this Warrant shall contain a legend substantially to the same effect as the legend set forth on the first page of this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer and its corporate seal to be affixed hereto.

Dated: As of May 5, 2003

(SEAL)

HALSEY DRUG CO., INC.

BY: /s/ Peter A. Clemens

Name: Peter A. Clemens

Title: Chief Financial Officer

SUBSCRIPTION FORM

(TO BE EXECUTED BY THE REGISTERED HOLDER
IF HE DESIRES TO EXERCISE THE WARRANT)

TO: HALSEY DRUG CO., INC.

The undersigned hereby exercises the right to purchase
_____ shares of Common Stock, par value \$.01 per share, covered by the
attached Warrant in accordance with the terms and conditions thereof, and
herewith makes payment of the Warrant Price for such shares in full.

SIGNATURE

ADDRESS

DATED:

NOTICE OF EXERCISE OF COMMON STOCK WARRANT
PURSUANT TO NET ISSUE ("CASHLESS") EXERCISE PROVISIONS

[Date]

Acura Pharmaceuticals Inc. a New York corporation 616 N. North Court, Suite 120 Palatine, IL 60067 Attention: President	Aggregate Price of of Warrant Aggregate Price Being Exercised: Warrant Price (per share): Market Value (per share): Number of Shares of Common Stock under this Warrant: Number of Shares of Common Stock to be Issued Under this Notice:	\$ _____ _____ _____ \$ _____ _____ \$ _____ _____ _____ _____ _____
---	--	---

CASHLESS EXERCISE

Gentlemen:

The undersigned, the registered holder of the Warrant to Purchase Common Stock delivered herewith ("WARRANT"), hereby irrevocably exercises such Warrant for, and purchases thereunder, shares of the Common Stock of HALSEY DRUG CO., INC., a New York corporation, as provided below. Capitalized terms used herein, unless otherwise defined herein, shall have the meanings given in the Warrant. The portion of the Aggregate Price (as hereinafter defined) to be applied toward the purchase of Common Stock pursuant to this Notice of Exercise is \$, thereby leaving a remainder Aggregate Price (if any) equal to \$. Such exercise shall be pursuant to the net issue exercise provisions of Section 1(b) of the Warrant; therefore, the holder makes no payment with this Notice of Exercise. The number of shares to be issued pursuant to this exercise shall be determined by reference to the formula in Section 1(b) of the Warrant which requires the use of the Market Value (as defined in Section 1(d) of the Warrant) of the Company's Common Stock on the business day immediately preceding the day on which this Notice is received by the Company. To the extent the foregoing exercise is for less than the full Aggregate Price of the Warrant, the remainder of the Warrant representing a number of Shares equal to the quotient obtained by dividing the remainder of the Aggregate Price by the Warrant Price (and otherwise of like form, tenor and effect) may be exercised under Section 1(a) of the Warrant. For purposes of this Notice the term "AGGREGATE PRICE" means the product

obtained by multiplying the number of shares of Common Stock for which the Warrant is exercisable times the Warrant Price.

SIGNATURE

DATE: -----

ADDRESS

ASSIGNMENT

(TO BE EXECUTED BY THE REGISTERED HOLDER
IF HE DESIRES TO TRANSFER THE WARRANT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto the right to purchase shares of Common Stock of HALSEY DRUG CO., INC., evidenced by the within Warrant, and does hereby irrevocably constitute and appoint Attorney to transfer the said Warrant on the books of the Company, with full power of substitution.

SIGNATURE

ADDRESS

DATED:

IN THE PRESENCE OF: