

METABASIS THERAPEUTICS INC

Form SC 13G/A

February 14, 2007

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

METABASIS THERAPEUTICS, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

59101M 10 5

(CUSIP Number)

December 31, 2006

(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

1 NAMES OF REPORTING PERSONS:

InterWest Partners VII, LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

California

5 SOLE VOTING POWER:

NUMBER OF 3,040,686

6 SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 3,040,686

8 SHARED DISPOSITIVE POWER:

WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

3,040,686

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.0%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 59101M 10 5

NAMES OF REPORTING PERSONS:

1

InterWest Investors VII, LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2

(a)

(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4

California

SOLE VOTING POWER:

5

NUMBER OF 145,612

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 6 0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7 145,612

SHARED DISPOSITIVE POWER:

WITH: 8 0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

145,612

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

0.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 59101M 10 5

NAMES 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 NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2
(a)
(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4
California

SOLE VOTING POWER:

5
NUMBER OF 3,186,298

SHARED VOTING POWER:

6
SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER:

7
EACH REPORTING PERSON 3,186,298

SHARED DISPOSITIVE POWER:

8
WITH: 0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

3,186,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

OO

CUSIP No. 59101M 10 5

NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

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:

SHARES BENEFICIALLY OWNED BY **6** 3,186,298

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON **7** 50,000

SHARED DISPOSITIVE POWER:

WITH: **8** 3,186,298

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

3,236,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.7%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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.

CUSIP No. 59101M 10 5

NAMES OF REPORTING PERSONS:

1

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

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:

SHARES BENEFICIALLY OWNED BY 6

3,186,298

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7

0

SHARED DISPOSITIVE POWER:

WITH: 8

3,186,298

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

3,186,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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

1 NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(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 3,186,298

7 SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 0

8 SHARED DISPOSITIVE POWER:

WITH: 3,186,298

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

3,186,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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.

CUSIP No. 59101M 10 5

NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

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:

SHARES BENEFICIALLY OWNED BY **6** 3,186,298

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON **7** 0

SHARED DISPOSITIVE POWER:

WITH: **8** 3,186,298

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

3,186,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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.

CUSIP No. 59101M 10 5

NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

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:

SHARES BENEFICIALLY OWNED BY **6** 3,186,298

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON **7** 0

SHARED DISPOSITIVE POWER:

WITH: **8** 3,186,298

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

3,186,298

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.5%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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.

CUSIP No. 59101M 10 5

1 NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

United States

5 SOLE VOTING POWER:

NUMBER OF 37,499

6 SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 3,186,298

7 SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 37,499

8 SHARED DISPOSITIVE POWER:

WITH: 3,186,298

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

3,223,797

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

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

10.6%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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

1 NAMES OF REPORTING PERSONS:

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

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

United States

5 SOLE VOTING POWER:

NUMBER OF
SHARES

0

6 SHARED VOTING POWER:

BENEFICIALLY
OWNED BY

3,186,298

7 SOLE DISPOSITIVE POWER:

EACH
REPORTING
PERSON

0

8 SHARED DISPOSITIVE POWER:

WITH:

3,186,298

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

3,186,298

10

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

o

11

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

10.5%

12

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

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 NOT APPLICABLE.

3.

ITEM OWNERSHIP.

4.

	IWP VII (1)	II VII (2)	IMP VII (3)	
Beneficial Ownership	3,040,686	145,612	3,186,298	
Percentage of Class	10.0%	0.5%	10.5%	
Sole Voting Power	3,040,686	145,612	3,186,298	
Shared Voting Power	0	0	0	
Sole Dispositive Power	3,040,686	145,612	3,186,298	
Shared Dispositive Power	0	0	0	
	Cash (4)	Gianos (4)	Hedrick (4)	
Beneficial Ownership	3,236,298	3,186,298	3,186,298	
Percentage of Class	10.7%	10.5%	10.5%	
Sole Voting Power	50,000	0	0	
Shared Voting Power	3,186,298	3,186,298	3,186,298	
Sole Dispositive Power	50,000	0	0	
Shared Dispositive Power	3,186,298	3,186,298	3,186,298	
	Holmes (4)	Kliman (4)	Oronsky (4)**	Rosch (4)
Beneficial Ownership	3,186,298	3,186,298	3,223,797	3,186,298
Percentage of Class	10.5%	10.5%	10.6%	10.5%
Sole Voting Power	0	0	37,499	0
Shared Voting Power	3,186,298	3,186,298	3,186,298	3,186,298
Sole Dispositive Power	0	0	37,499	0
Shared Dispositive Power	3,186,298	3,186,298	3,186,298	3,186,298

** Includes 37,499 shares issuable to Oronsky pursuant to outstanding options exercisable within 60 days of December 31, 2006.

(1) Includes 530,233 shares

issuable
pursuant to
warrant exercise
within 60 days
of December 31,
2006.

- (2) Includes 25,392
shares issuable
pursuant to
warrant exercise
within 60 days
of December 31,
2006.
- (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.

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 14, 2007

INTERWEST PARTNERS VII,
LP

By: InterWest Management
Partners VII, LLC
its General Partner

By: /s/ Harvey B. Cash

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

Name: W. Scott Hedrick

By: InterWest Management
Partners VII, LLC
its General Partner

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

By: /s/ W. Stephen Holmes

Name: Arnold L. Oronsky

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 14, 2007 INTERWEST PARTNERS VII,
LP

By: InterWest Management
Partners VII, LLC
its General Partner

By: /s/ Harvey B. Cash

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

Name: W. Scott Hedrick By: InterWest Management
Partners VII, LLC
its General Partner

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 By: /s/ W. Stephen Holmes

Name: Arnold L. Oronsky Managing Director

By: /s/ Thomas L. Rosch

Name: Thomas L. Rosch