

Sabo Ernest  
 Form 4  
 November 30, 2009

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Sabo Ernest

2. Issuer Name and Ticker or Trading Symbol  
 LANNETT CO INC [LCI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 9000 STATE ROAD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/01/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP, Corporate Compliance

PHILADELPHIA, PA 19136

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 09/18/2007                           |  | A                              | 6,000 (1) A \$ 0  | 6,000   | D  |                                   |
| Common Stock                    | 09/18/2007                           |  | A                              | 3,748 (2) A \$ 0  | 9,748   | D  |                                   |
| Common Stock                    | 01/01/2008                           |  | F                              | 1,481 (3) D \$ 0  | 8,267   | D  |                                   |
| Common Stock                    | 09/18/2008                           |  | F                              | 663 (4) D \$ 0  | 7,604   | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Option to Buy                              | \$ 7.48  | 03/01/2005                           |  | A                              | 3,260   | <u>(5)</u> 03/01/2015                                    | Common Stock  | 3,260                         |
| Option to Buy                              | \$ 5.18  | 10/25/2005                           |  | A                              | 4,000   | <u>(6)</u> 10/25/2015                                    | Common Stock  | 4,000                         |
| Option to Buy                              | \$ 6.89  | 11/28/2006                           |  | A                              | 7,500   | <u>(7)</u> 11/28/2016                                    | Common Stock  | 7,500                         |
| Option to Buy                              | \$ 4.03  | 09/18/2007                           |  | A                              | 15,000  | <u>(8)</u> 09/18/2017                                    | Common Stock  | 15,000                        |
| Option to Buy                              | \$ 2.8   | 09/18/2008                           |  | A                              | 16,000  | <u>(9)</u> 09/18/2018                                    | Common Stock  | 16,000                        |

## Reporting Owners

| Reporting Owner Name / Address                           | Relationships |           |                          |       |
|--|---------------|-----------|--------------------------|-------|
|  | Director      | 10% Owner | Officer                  | Other |
| Sabo Ernest<br>9000 STATE ROAD<br>PHILADELPHIA, PA 19136 |               |           | VP, Corporate Compliance |       |

## Signatures

Keith R. Ruck                      11/30/2009  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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- (1) Represents restricted stock award vesting 1/3 each on 9/18/2008, 9/18/2009 and 9/18/2010.
- (2) Represents restricted stock award which fully vested on 1/1/2008.
- (3) Mr. Sabo elected to withhold 1,481 shares in satisfaction of income tax withholding requirements in connection with the vesting on such date of the restricted stock award described in footnote (2) above.
- (4) Mr. Sabo elected to withhold 663 shares in satisfaction of income tax withholding requirements in connection with the vesting on such date of the restricted stock award described in footnote (1) above.
- (5) Exercisable in 1/3 annual increments on 3/1/2006, 3/1/2007, and 3/1/2008.
- (6) Exercisable in 1/3 annual increments on 10/25/2006, 10/25/2007, and 10/25/2008.
- (7) Exercisable in 1/3 annual increments on 11/28/2007, 11/28/2008, and 11/28/2009.
- (8) Exercisable in 1/3 annual increments on 9/18/2008, 9/18/2009, and 9/18/2010.
- (9) Exercisable in 1/3 annual increments on 9/18/2009, 9/18/2010, and 9/18/2011.

### **Remarks:**

Mr. Sabo was promoted to Vice President of Corporate Compliance on May 12, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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