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SHEFFIELD PHARMACEUTICALS INC
Form SC 13D
November 17, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

INFORMATION STATEMENT PURSUANT TO RULES 13D-1 AND 13D-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO.)*

SHEFFIELD PHARMACEUTICALS, INC.
(NAME OF ISSUER)

COMMON STOCK, \$.001 PAR VALUE PER SHARE
(TITLE OF CLASS OF SECURITIES)

82123D408
(CUSIP NUMBER)

HANK GRACIN, ESQ.
LEHMAN & EILEN LLP
MISSION BAY OFFICE PLAZA
SUITE 300
20283 STATE ROAD 7
BOCA RATON, FL 33498
(561) 237-0804

(NAME, ADDRESS, TELEPHONE NUMBER OF PERSON AUTHORIZED
TO RECEIVE NOTICES AND COMMUNICATION)

OCTOBER 31, 2006
(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 which is the subject of this Schedule 13D, and is filing this schedule because of "240.13d-1(f) or 240.13d(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 ' 24013d-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 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).

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1. NAME OF REPORTING PERSON, I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:
Steve H. Kanzer
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:
(a) / /
(b) /X/
3. SEC USE ONLY
4. SOURCE OF FUNDS: PF
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM
2(D) OR 2(E): / /
6. CITIZENSHIP OR PLACE OF ORGANIZATION: United States
7. SOLE VOTING POWER: 0 shares
8. SHARED VOTING POWER: 23,756,955 shares*
9. SOLE DISPOSITIVE POWER: 0 shares
10. SHARED DISPOSITIVE POWER 23,756,955 shares
11. AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING PERSON: 23,756,955 shares
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: / /
13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11): 63.80%
14. TYPE OF REPORTING PERSON: IN

* Consists of 21,259,138 common shares and 2,497,817 warrants to purchase common shares.

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1. NAME OF REPORTING PERSON, I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:
Accredited Venture Capital, LLC
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:
(a) / /
(b) /X/
3. SEC USE ONLY
4. SOURCE OF FUNDS: WC
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM
2(D) OR 2(E): / /
6. CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware

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- 7. SOLE VOTING POWER: 0 shares
- 8. SHARED VOTING POWER: 23,756,955 shares*
- 9. SOLE DISPOSITIVE POWER: 0 shares
- 10. SHARED DISPOSITIVE POWER 23,756,955 shares
- 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 23,756,955 shares
- 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:* / /
- 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 63.80%
- 14. TYPE OF REPORTING PERSON*: OO

* Consists of 21,259,138 common shares and 2,497,817 warrants to purchase common shares.

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- 1. NAME OF REPORTING PERSON, I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:
Pharmainvestors, LLC
- 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*:
(a) / /
(b) /X/
- 3. SEC USE ONLY
- 4. SOURCE OF FUNDS: WC
- 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(D) OR 2(E): / /
- 6. CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware
- 7. SOLE VOTING POWER: 0 shares
- 8. SHARED VOTING POWER: 23,756,955 shares*
- 9. SOLE DISPOSITIVE POWER: 0 shares
- 10. SHARED DISPOSITIVE POWER 23,756,955 shares
- 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 23,756,955 shares
- 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:* / /
- 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 63.80%
- 14. TYPE OF REPORTING PERSON*: OO

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* Consists of 21,259,138 common shares and 2,497,817 warrants to purchase common shares.

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Item 1. Security and Issuer.

This Statement on Schedule 13D relates to the common shares, \$.001 par value (the "Common Shares"), of Sheffield Pharmaceuticals, Inc., a Delaware corporation, with principal executive offices located at 3985 Research Park Drive, Ann Arbor, MI 48108 (the "Issuer").

Item 2. Identity and Background.

(a) This Schedule 13D is being filed on behalf of Accredited Venture Capital, LLC, a Delaware limited liability company, Pharmainvestors, LLC, a Delaware limited liability company and the Managing Member of Accredited Venture Capital, LLC, and Steve Kanzer, Managing Member of Pharmainvestors, LLC (together, the "Reporting Persons").

The Reporting Persons are filing this statement pursuant to Rule 13d-1(a) under the Exchange Act of 1934, as amended. By their signatures on this Statement, the Reporting Persons agree that this Statement is filed on their behalf.

(b) The principal business of Accredited Venture Capital, LLC is making and managing investments in the biotechnology sector.

(c) The principal business of Pharmainvestors, LLC is making and managing investments in the biotechnology sector.

(d) Mr. Kanzer's present occupation is Chief Executive Officer of the Issuer. The principal business address of Mr. Kanzer is c/o Pipex Therapeutics, Inc., 3985 Research Park Drive, Ann Arbor MI 48108. Mr. Kanzer is a citizen of the United States of America.

(e) None of the persons referred to above has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations).

(f) None of the persons referred to above has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations or, prohibiting or mandating activities subject to, United States Federal or State securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

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Effective October 31, 2006, Pipex Therapeutics, Inc., a Delaware corporation, became a wholly owned subsidiary of the Issuer, when it merged with and into Pipex Therapeutics Acquisition Corp., a wholly owned subsidiary of the Issuer. At the effective time of the merger, every share of Pipex

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Therapeutics Inc.'s issued and outstanding common shares were cancelled and converted into one common share of the Issuer. As a result, the Reporting Persons acquired 21,259,138 of the Issuer's common shares. All of these shares were initially acquired from Pipex Therapeutics, Inc. in exchange for a cash investment.

In addition, at the effective time of the merger, each warrant to purchase shares of Pipex Therapeutics, Inc.'s common shares was converted into the right to receive, upon exercise of such warrant, an equal number of shares of the Issuer's common shares. As a result, the Reporting Persons' warrants to purchase 2,497,817 shares of Pipex Therapeutics, Inc.'s common shares, at an average exercise price of approximately \$.72 per share, were converted into an equal number of warrants to purchase common shares of the Issuer.

Item 4. Purpose of the Transaction.

The Reporting Persons purchased the common shares for investment purposes. The Reporting Persons may acquire additional common shares of the Issuer or securities convertible into common shares of the Issuer, or may dispose of the same, through market transactions or otherwise.

The Reporting Persons do not have any current definite plans or proposals which would relate to or result in:

(a) the acquisition or disposition of securities of the Issuer other than as herein disclosed;

(b) an extraordinary corporate transaction such as a merger; reorganization or liquidation involving the Issuer or any of its subsidiaries;

(c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;

(d) any changes in the present board of directors or management of the Issuer;

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(e) any material change in the present capitalization or dividend policy of the Issuer; or

(f) any change in the Issuer's charter or by-laws which may impede the acquisition of control of the Issuer by any person.

Mr. Kanzer, however, in his capacity as Chief Executive Officer of the Issuer, consistently evaluates potential acquisition candidates and capital raising transactions on behalf of the Issuer.

Item 5. Interest in Securities of the Issuer.

The only interest in the securities of the Issuer which the Reporting Persons hold are the interests which have been described above in Item 3.

As of the date hereof, the Issuer has 34,737,717 common shares issued and outstanding.

Assuming the exercise in full of the aggregate number of warrants held by the Reporting Persons, the Reporting Persons have shared voting power and shared

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dispositive power over 23,756,955 common shares of the Issuer. As a result, the Reporting Persons beneficially own approximately 63.80% of the Issuer's outstanding common shares.

(g) The following transactions in the Issuer's common stock have been effected during the past 60 days by the Reporting Persons:

None.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

None.

Item 7. Material to be Filed as Exhibits

None.

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Signatures

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

Dated: As of November 17, 2006

/s/Steve Kanzer

Steve Kanzer

ACCREDITED VENTURE CAPITAL, LLC

By: Pharmainvestors, LLC
Its: Managing Member

By: Steve Kanzer

Steve Kanzer
Managing Member

PHARMAINVESTORS, LLC
By: Steve Kanzer

Steve Kanzer
Managing Member