
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

Amendment No. 3 to
FORM 10-KSB

(Mark One)

**ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended December 31, 2007

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from

Commission file number: 333-131722

SYNERGY PHARMACEUTICALS, INC.

(Exact name of small business issuer as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation or organization)

20-3823853

(IRS Employer Identification No.)

420 Lexington Avenue, Suite 1609, New York, New York 10170

(Address of principal executive offices) (Zip Code)

(212) 297-0010

(Issuer's telephone number)

(Former name, former address and former fiscal year,
if changed since last report)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: (None)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: (None)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No

State issuer's revenues for its most recent fiscal year. \$0.00

The market value of the common stock held by non-affiliates cannot be estimated since there is no market for the company's shares.

There were 2,181,000 shares of common stock outstanding as of February 29, 2008.

DOCUMENTS INCORPORATED BY REFERENCE: None.

Transitional Small Business Disclosure Format (check one): Yes No

EXPLANATORY NOTE

This Amendment No. 3 to our Annual Report on Form 10-KSB for the year ended December 31, 2007 is being filed solely for the purpose of responding to comments received by us from the Staff of the Securities and Exchange Commission on September 4, 2008 with respect to the proper signatures of Form 10-KSB/A filed on August 14, 2008 and certain changes to Exhibits 31.1, 31.2, 32.1 and 32.2. This Amendment speaks as of the original filing date of our Annual Report on Form 10-KSB and has not been updated to reflect events occurring subsequent to the original filing date.

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ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

EXHIBIT NUMBER	EXHIBIT DESCRIPTION	FORM	INCORPORATED BY REFERENCE			FILED HEREWITH
			FILE NUMBER	EXHIBIT	FILING DATE	
3.1	Articles of Incorporation of the Registrant.	SB-2	333-131722	3.1	2/20/06	
3.2	By-Laws of the Registrant.	SB-2	333-131722	3.2	2/20/06	
4.1	Specimen of Common Stock Certificate.	SB-2	333-131722	4.1	2/20/06	
10.1	Capital Stock Purchase Agreement between Biotech Initiative of Chelsea, Ltd., and Charles Monahan dated July 16, 2007	8-K	333-131722	10.1	7/20/07	
10.2*	Offer letter between the registrant and Pietro Gattini dated November 13, 2007	10-QSB	333-131722	10.1	11/19/07	
10.3	Month to month lease between the registrant and Steinway Group LLC dated November 13, 2007	10-QSB	333-131722	10.2	11/19/07	
10.4	Form of Grid Promissory note dated March 11, 2008 between Pawfect Foods, Inc. and Biotech Initiative of Chelsea, Ltd.	10-KSB	333-131722	10.4	3/28/2008	
10.5	Form of Grid Promissory note dated March 11, 2008 between Pawfect Foods, Inc. and Pietro Gattini	10-KSB	333-131722	10.5	3/28/2008	
21	Subsidiaries of the Registrant.				None	
31.1	Certification of Chief Executive Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.					X
31.2	Certification of Principal Financial Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.					X
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.					X
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.					X

*Compensation plans or arrangements in which directors or executive officers are eligible to participate.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYNERGY PHARMACEUTICALS, INC.

Dated: September 15, 2008

By: /s/ GARY S. JACOB
Gary S. Jacob,
President and Acting CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>SIGNATURES</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ GARY S. JACOB</u> Gary S. Jacob	President and Acting CEO and Director (Principal Executive Officer)	September 15, 2008
<u>/s/ BERNARD F. DENOYER</u> Bernard F. Denoyer	Senior Vice President, Finance (Principal Financial and Accounting Officer)	September 15, 2008
<u>/s/ GABRIELE M. CERRONE</u> Gabriele M. Cerrone	Chairman of the Board	September 15, 2008
<u>/s/ JOHN P. BRANCACCIO</u> John P. Brancaccio	Director	September 15, 2008
<u>/s/ THOMAS ADAMS</u> Thomas Adams	Director	September 15, 2008
<u>/s/ CHRISTOPHER MCQUIGAN</u> Christopher McQuigan	Director	September 15, 2008
<u>/s/ MELVIN SPIGELMAN</u> Melvin Spigelman	Director	September 15, 2008

**CERTIFICATION OF CEO PURSUANT TO RULES 13a-15(e) AND 15d-15(e)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Jacob certify that:

1. I have reviewed this Amendment No. 3 to the annual report on Form 10-KSB of Synergy Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting;
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting

September 15, 2008

/s/ Gary S. Jacob

Gary S. Jacob
President and Acting CEO

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13a-15(e) AND 15d-15(e)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bernard F. Denoyer certify that:

1. I have reviewed this Amendment No. 3 to the annual report on Form 10-KSB of Synergy Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting;
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting

September 15, 2008

/s/ Bernard F. Denoyer
Bernard F. Denoyer
Senior Vice President, Finance

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Amendment No. 3 to the Annual Report on Form 10-KSB of Synergy Pharmaceuticals, Inc. (the "Company") for the year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Gary S. Jacob, as President and Acting Chief Executive Officer hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 15, 2008

/s/ Gary S. Jacob

Gary S. Jacob
President and Acting CEO

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Amendment No. 3 to the Annual Report on Form 10-KSB of Synergy Pharmaceuticals, Inc. (the "Company") for the year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Bernard F. Denoyer as Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 15, 2008

/s/ Bernard F. Denoyer

Bernard F. Denoyer
Senior Vice President,
Finance

September 15, 2008

Mr. William Thompson
Accounting Branch Chief
Mail Stop 3561
United States Securities and Exchange Commission
Washington, DC 20549

Re: Synergy Pharmaceuticals, Inc. (formerly Pawfect Foods, Inc.)
Form 10-KSB for the Year Ended December 31, 2007, Amendment No. 3
File No. 333-131722

Dear Mr. Thompson,

We have amended our Form 10-KSB for the Year Ended December 31, 2007 to include proper signatories as suggested in your letter dated September 4, 2008 and certain changes to Exhibits 31.1, 31.2, 32.1 and 32.2.

Very truly yours,

/s/ Bernard F. Denoyer
Senior Vice President, Finance
