

TOP TANKERS INC.  
Form SC 13D  
December 26, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**(Amendment No. \_\_)\***

Top Tankers Inc.

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**(Name of Issuer)**

Common Stock, \$0.01 par value

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**(Title of Class of Securities)**

Y8897Y107

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**(CUSIP Number)**

Fati Sadeghi-Nejad, Esq.

General Counsel

QVT Financial LP

1177 Avenue of the Americas, 9th Floor, New York, NY 10036

(212) 705-8888

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copies to: Knute J. Salhus, Esq.

Wilmer Cutler Pickering Hale and Dorr LLP

399 Park Avenue, New York, NY 10022

(212) 230-8800

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 18, 2006

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(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 §§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 §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)

CUSIP No. Y8897Y107

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Financial LP

11-3694008

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check 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  
Shares

0

8. Shared Voting Power

Beneficially by

Owned by 1,803,432 shares of common stock

Each 9. Sole Dispositive Power

Reporting  
Person

0

10. Shared Dispositive Power

With

1,803,432 shares of common stock

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,803,432 shares of common stock

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

6.4%

14. Type of Reporting Person (See Instructions)

PN

CUSIP No. Y8897Y107

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Financial GP LLC

11-3694007

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check 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  
Shares

0

8. Shared Voting Power

Beneficially by

Owned by 1,803,432 shares of common stock

Each 9. Sole Dispositive Power

Reporting  
Person

0

10. Shared Dispositive Power

With

1,803,432 shares of common stock

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,803,432 shares of common stock

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

6.4%

14. Type of Reporting Person (See Instructions)

OO

CUSIP No. Y8897Y107

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Fund LP

98-0415217

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Cayman Islands

7. Sole Voting Power

Number of  
Shares

0

8. Shared Voting Power

Beneficially by

Owned by 1,546,816 shares of common stock

Each 9. Sole Dispositive Power

Reporting

0

Person  
With

10. Shared Dispositive Power

1,546,816 shares of common stock

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,546,816 shares of common stock

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

5.5%

14. Type of Reporting Person (See Instructions)

PN

CUSIP No. 76026W208

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

QVT Associates GP LLC

01-0798253

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check 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  
Shares

0

8. Shared Voting Power

Beneficially by

Owned by 1,546,816 shares of common stock\_

Each 9. Sole Dispositive Power

Reporting

0

Person 10. Shared Dispositive Power

With

1,546,816 shares of common stock

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,546,816 shares of common stock

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

5.5%

14. Type of Reporting Person (See Instructions)

OO

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**Item 1. Security and Issuer**

This Schedule 13D relates to common stock, \$0.01 par value per share (the Common Stock ) of Top Tankers Inc. (the Issuer ). The Issuer s principal executive offices are located at 1, Vassilissis Sofia Str. & Meg., Alexandrou St., 151 24 Maroussi, Greece.

**Item 2. Identity and Background**

(a) (c). This Schedule 13D is filed by QVT Financial LP, a Delaware limited partnership ( QVT Financial ), its general partner, QVT Financial GP LLC, a Delaware limited liability company, QVT Fund LP, a Cayman Islands limited partnership (the Fund ), and its general partner, QVT Associates GP LLC, a Delaware limited liability company. The principal executive offices of QVT Financial, QVT Financial GP LLC and QVT Associates GP LLC are located at 1177 Avenue of the Americas, 9th Floor, New York, New York 10036. The Fund s registered address is c/o Walkers SPV, Walkers House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands. The Fund s principal business is investment in securities. QVT Financial s principal business is investment management and it acts as the investment manager for QVT Fund LP (the Fund ) and its several feeder funds. QVT Financial is also the investment manager for a separate discretionary account managed for Deutsche Bank AG (the Separate Account ). QVT Financial has the power to direct the vote and disposition of the Common Stock held by each of the Fund and the Separate Account.

Daniel Gold, Lars Bader, Nicholas Brumm and Tracy Fu (the Covered Persons ) are the managing members of QVT Financial GP LLC and QVT Associates GP LLC. The business addresses and principal occupations of each of the Covered Persons are set forth in Appendix A attached hereto, which is incorporated herein by reference. The business address of each Covered Person is also the address of the principal employer of such Covered Person. Each of the Covered Persons is a citizen of the United States.

(d) and (e). During the last five years, none of QVT Financial, QVT Financial GP LLC, the Fund, QVT Associates GP LLC or any of the Covered Persons has (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) 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 of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violations with respect to such laws.

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

The shares of Common Stock covered by this Schedule 13D were purchased by the Fund and the Separate Account between August 10, 2005 and December 21, 2006 for approximately \$18.3 million. The source of funds for the purchases was cash available for investment held by the Fund and the Separate Account.

**Item 4. Purpose of Transaction**

All of the shares of Common Stock reported herein were acquired for investment purposes. The reporting persons review on a continuing basis the investment in the Issuer. Based on such review and depending on the price and availability of the Issuer s securities, the reporting persons may acquire, or cause to be acquired, additional securities of the Issuer or derivatives or other instruments related thereto, in the open market or otherwise, or dispose of, or cause to be disposed, such securities, derivatives or instruments, in the open market or otherwise, at any time, or formulate other purposes, plans or proposals regarding the Issuer or any of its securities, to the extent deemed advisable in light of general investment and trading policies of QVT Financial, the Fund, the Separate Account, the Issuer s business, financial condition and operating results, general market and industry conditions or other factors.

As part of the ongoing evaluation of this investment and investment alternatives, the reporting persons may consider transactions of the type described in subparagraphs (a) through (j) of Item 4 of the Instructions to Schedule 13D and, subject to applicable law, may formulate a plan with respect to such matters. In addition, from time to time, the reporting persons may hold discussions with or make formal proposals to management or the board of directors of the Issuer, other stockholders of the Issuer or other third parties regarding such matters.

**Item 5. Interest in Securities of the Issuer**

(a) and (b). The information contained on the cover pages to this Schedule 13D is incorporated herein by reference. QVT Financial is the investment manager for the Fund, which beneficially owns 1,546,816 shares of Common Stock. QVT Financial is also the investment manager for the Separate Account, which holds 256,616 shares of Common Stock. QVT

Financial has the power to direct the vote and disposition of the Common Stock held by each of the Fund and the Separate Account. Accordingly, QVT Financial may be deemed to be the beneficial owner of an aggregate amount of 1,803,432 shares of Common Stock, consisting of the shares owned by the Fund and the shares held in the Separate Account.

QVT Financial GP LLC, as General Partner of QVT Financial, may be deemed to beneficially own the same number of shares of Common Stock reported by QVT Financial.

The Fund beneficially owns 1,546,816 shares of Common Stock. QVT Associates GP LLC, as General Partner of the Fund, may be deemed to beneficially own the same number of shares of Common Stock reported by the Fund.

The Covered Persons, as managing members of QVT Financial GP LLC and QVT Associates GP LLC, may be deemed to beneficially own the same number of shares of Common Stock reported by QVT Financial and the Fund.

Each of QVT Financial, QVT Financial GP LLC and the Covered Persons disclaim beneficial ownership of the shares of Common Stock owned by the Fund and the shares of Common Stock held in the Separate Account. QVT Associates GP LLC disclaims beneficial ownership of the shares of Common Stock owned by the Fund, except to the extent of its pecuniary interest therein.

(c) The reported share amounts for QVT Financial, QVT Financial GP LLC, the Fund and QVT Associates GP LLC reflect amounts as of December 21, 2006. The Fund and Separate Account effected the following transactions in the Common Stock during the past 60 days:

On October 25, 2006, the Fund made the following purchases in the open market: 3,264 shares of Common Stock at a price of \$5.998 per share and 69,730 shares of Common Stock at a price of \$6.014 per share. On that date, the Separate Account made the following purchases in the open market: 536 shares of Common Stock at a price of \$5.998 per share and 11,470 shares of Common Stock at a price of \$6.014 per share.

On November 3, 2006, the Fund purchased 21,469 shares of Common Stock, and the Separate Account purchased 3,531 shares of Common Stock in the open market at a price of \$6.06 per share.

On November 15, 2006, the Fund purchased 42,936 shares of Common Stock in the open market at a price of \$5.925 per share and sold 3,505 shares of Common Stock in the open market at a price of \$5.932 per share. On that date, the Separate Account purchased 7,064 shares of Common Stock in the open market at a price of \$5.925 per share and sold 595 shares of Common Stock in the open market at a price of \$5.932 per share.

On November 29, 2006, the Fund made the following purchases in the open market: 85,874 shares of Common Stock, at a price of \$5.05 per share and 107,342 shares of Common Stock at a price of \$5.12 per share. On that date, the Separate Account made the following purchases in the open market: 14,126 shares of Common Stock at a price of \$5.05 per share and 17,658 shares of Common Stock at a price of \$5.12 per share.

On November 30, 2006, the Fund made the following purchases in the open market: 21,469 shares of Common Stock at a price of \$5.18 per share and 8,330 shares of Common Stock at a price of \$5.195 per share. On that date, the Separate Account made the following purchases in the open market: 3,531 shares of Common Stock at a price of \$5.18 per share and 1,370 shares of Common Stock at a price of \$5.195 per share.

On December 1, 2006, the Fund made the following purchases in the open market: 34,607 shares of Common Stock at a price of \$5.162 per share and 85,874 shares of Common Stock at a price of \$5.11 per share. On that date, the Separate Account made the following purchases in the open market: 5,693 shares of Common Stock at a price of \$5.162 per share and 14,126 shares of Common Stock at a price of \$5.11 per share.



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On December 4, 2006, the Fund purchased 21,468 shares of Common Stock, and the Separate Account purchased 3,532 shares of Common Stock in the open market at a price of \$5.10 per share.

On December 11, 2006, the Fund made the following purchases in the open market: 28,429 shares of Common Stock at a price of \$5.098 per share and 42,964 shares of Common Stock at a price of \$5.097 per share. On that date, the Separate Account made the following purchases in the open market: 4,656 shares of Common Stock at a price of \$5.098 per share and 7,036 shares of Common Stock at a price of \$5.097 per share.

On December 12, 2006, the Fund purchased 117,749 shares of Common Stock in the open market at a price of \$5.094 per share, purchased 21,482 shares of Common Stock in the open market at a price of \$5.06 per share, and sold 12,852 shares of Common Stock in the open market at a price of \$5.053 per share. On that date, the Separate Account purchased 19,283 shares of Common Stock in the open market at a price of \$5.094 per share, purchased 3,518 shares of Common Stock in the open market at a price of \$5.06 per share, and sold 2,148 shares of Common Stock in the open market at a price of \$5.053 per share.

On December 14, 2006, the Fund purchased 34,371 shares of Common Stock, and the Separate Account purchased 5,629 shares of Common Stock in the open market at a price of \$5.00 per share.

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On December 15, 2006, the Fund purchased 22,864 shares of Common Stock, and the Separate Account purchased 3,744 shares of Common Stock in the open market at a price of \$4.95 per share.

On December 18, 2006, the Fund purchased 30,075 shares of Common Stock in the open market at a price of \$4.93 per share, purchased 68,492 shares of Common Stock in the open market at a price of \$4.897 per share, and sold 3,601 shares of Common Stock in the open market at a price of \$4.932 per share. On that date, the Separate Account purchased 4,925 shares of Common Stock in the open market at a price of \$4.93 per share, purchased 11,217 shares of Common Stock in the open market at a price of \$4.897 per share, and sold 599 shares of Common Stock in the open market at a price of \$4.932 per share.

On December 19, 2006, the Fund purchased 42,964 shares of Common Stock in the open market at a price of \$4.89 per share and sold 515 shares of Common Stock in the open market at a price of \$4.89 per share. On that date, the Separate Account purchased 7,036 shares of Common Stock in the open market at a price of \$4.89 per share and sold 85 shares of Common Stock in the open market at a price of \$4.89 per share.

On December 20, 2006, the Fund purchased 133,361 shares of Common Stock and the Separate Account purchased 21,839 shares of Common Stock in the open market at a price of \$4.95 per share.

On December 21, 2006, the Fund purchased 111,706 shares of Common Stock and the Separate Account purchased 18,294 shares of Common Stock in the open market at a price of \$4.976 per share.

(d) Not applicable.

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

Except as set forth below, the reporting persons do not have any contracts, arrangements, understandings or relationships with respect to any securities of the Issuer.

From time to time, the reporting persons may enter into and dispose of certain derivative transactions with one or more counterparties or, to the extent permitted by applicable laws, the reporting persons may borrow securities, including the Common Stock, for the purpose of effecting, and may effect, short sale transactions, and may purchase securities for the purpose of closing out short positions in such securities.

**Item 7. Material to Be Filed as Exhibits**

Exhibit 1 - Agreement regarding Joint Filing of Schedule 13D

**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.

Dated: December 22, 2006

**QVT FINANCIAL LP**

By QVT Financial GP LLC,  
its General Partner

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT FINANCIAL GP LLC**

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT FUND LP**

By QVT Associates GP LLC,  
its General Partner

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT ASSOCIATES GP LLC**

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

Exhibit 1

**Agreement of Joint Filing**

Pursuant to 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, the undersigned persons hereby agree to file with the Securities and Exchange Commission the Statement on Schedule 13D (the Statement ) to which this Agreement is attached as an exhibit, and agree that such Statement, as so filed, is filed on behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Dated: December 22, 2006

**QVT FINANCIAL LP**

By QVT Financial GP LLC,  
its General Partner

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT FINANCIAL GP LLC**

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT FUND LP**

By QVT Associates GP LLC,  
its General Partner

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

**QVT ASSOCIATES GP LLC**

By: /s/ Tracy Fu  
Name: Tracy Fu  
Title: Managing Member

By: /s/ Nicholas Brumm  
Name: Nicholas Brumm  
Title: Managing Member

Appendix A

**Covered Persons**

<b>Name of Covered Person</b>	<b>Principal Business Address</b>	<b>Principal Occupation</b>
Daniel Gold	QVT Financial LP 1177 Avenue of the Americas, 9 <sup>th</sup> Floor New York, New York 10036	Investment Management
Lars Bader	QVT Financial LP 1177 Avenue of the Americas, 9 <sup>th</sup> Floor New York, New York 10036	Investment Management
Nicholas Brumm	QVT Financial LP 1177 Avenue of the Americas, 9 <sup>th</sup> Floor New York, New York 10036	Investment Management
Tracy Fu	QVT Financial LP 1177 Avenue of the Americas, 9 <sup>th</sup> Floor New York, New York 10036	Investment Management