

Capnia, Inc.
Form 4
November 23, 2015

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 *
ENGLEMAN EDGAR

2. Issuer Name and Ticker or Trading Symbol
Capnia, Inc. [CAPN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
575 HIGH STREET, SUITE 201

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/19/2015

Director 10% Owner
 Officer (give title below) Other (specify below)

PALO ALTO, CA 94301

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 11/19/2015 | | J ⁽¹⁾ (2) | | 1,624,250 | A | \$ 0 ⁽³⁾ |
| | | | | | 6,457,564 ⁽³⁾ | I | |
| Common Stock | 11/19/2015 | | J ⁽¹⁾ (2) | | 19,059 | A | \$ 0 ⁽⁴⁾ |
| | | | | | 75,781 ⁽⁴⁾ | I | |

See footnote (6)

See footnote (7)

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

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SEC 1474 (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Warrant (right to buy) | \$ 6.5 ⁽¹⁾ | 11/19/2015 | | J ⁽¹⁾⁽²⁾ | 389,290 ^{(3) (5)} | ⁽¹⁾⁽²⁾ 02/12/2016 | Common Stock | ^{(3) (5)} |
| Warrant (right to buy) | \$ 6.5 ⁽¹⁾ | 11/19/2015 | | J ⁽¹⁾⁽²⁾ | 4,568 ^{(4) (5)} | ⁽¹⁾⁽²⁾ 02/12/2016 | Common Stock | ^{(4) (5)} |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ENGLEMAN EDGAR 575 HIGH STREET, SUITE 201 PALO ALTO, CA 94301 | X | X | | |

Signatures

/s/ Edgar Engleman 11/23/2015

**Signature of Reporting Person Date

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).

- The warrant to purchase Common Stock is exercisable, at the holder's option, into shares of Capnia's Common Stock as follows: (i) at any time until the 15-month anniversary of the date of issuance, the holder is entitled to purchase one share of Capnia Common Stock at a cash exercise price equal to \$6.50 per share, or (ii) if, on any trading day after the four-month anniversary of the date of issuance of the
- warrant, and ending on the 15-month anniversary of the date of issuance of the warrant, the "market price" of a share of Capnia Common Stock is less than \$6.50, then the holder of the warrant may exercise the warrant in a cashless exercise to obtain a number of shares of Capnia Common Stock equal to: 125% of the difference between (a) the quotient of (i) the product of (A) the number of warrant shares being exercised
 - (Continued from Footnote 1) and (B) \$6.50, divided by (ii) 85% of the arithmetic average of the sum of the five lowest per share volume weighted average prices for the 15 trading days on the Nasdaq Capital Market (or if not on the Nasdaq Capital Market, on Capnia's then principal trading market) immediately prior to the date of exercise, and (b) the number of warrant shares being exercised. The five lowest per share volume weighted average prices for the 15 trading days on the Nasdaq Capital Market ranged from \$1.7228 to \$1.7882, inclusive. The reporting person undertakes to provide to Capnia, any security holder of Capnia, or the staff of the Securities and Exchange

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Commission, upon request, full information regarding the five lowest per share volume weighted average prices for the 15 trading days on the Nasdaq Capital Market set forth in these Footnotes 1 and 2.

- (3) The holder cashless exercised the warrant for 1,624,250 shares of Common Stock as disclosed in Footnotes 1 and 2 in lieu of cash exercising the warrant for an aggregate of 389,290 shares at a cash exercise price per share of \$6.50.
- (4) The holder cashless exercised the warrant for 19,059 shares of Common Stock as disclosed in Footnotes 1 and 2 in lieu of cash exercising the warrant for an aggregate of 4,568 shares at a cash exercise price per share of \$6.50.

- (5) The shares of Common Stock reported in Column 5 and 7 are the number of shares of Common Stock issuable upon cash exercise of the warrant. The reporting person elected to cashless exercise the warrant. See Footnotes 1 and 2 regarding the calculation for determining the number of shares of Common Stock issued upon cashless exercise of the warrant.

- (6) The shares are held directly by Vivo Ventures Fund V L.P. ("Vivo Ventures Fund V"). The Reporting Person is one of the managers of Vivo Ventures V, LLC ("Vivo Ventures V LLC"), the general partner of Vivo Ventures Fund V, and may be deemed to beneficially own such shares. The Reporting Person disclaims beneficial ownership of the securities held by Vivo Ventures Fund V except to the extent of any pecuniary interest therein.

- (7) The shares are held directly by Vivo Ventures V Affiliates Fund L.P. ("Vivo Ventures V Affiliates Fund"). The Reporting Person is one of the managers of Vivo Ventures V LLC, the general partner of Vivo Ventures V Affiliates Fund, and may be deemed to beneficially own such shares. The Reporting Person disclaims beneficial ownership of the securities held by Vivo Ventures V Affiliates Fund except to the extent of any pecuniary interest therein.

- (8) The shares represented in Column 9 represent the number of shares issuable upon cash exercise of the warrant at \$6.50 per share following the cashless exercise of this warrant referenced in footnote 3.

- (9) The shares represented in Column 9 represent the number of shares issuable upon cash exercise of the warrant at \$6.50 per share following the cashless exercise of this warrant referenced in footnote 4.

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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