

Capnia, Inc.
Form 4
April 14, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

(Last) (First) (Middle)

1235 RADIO ROAD, SUITE 110

(Street)

REDWOOD CITY, CA 94065

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/07/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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)
Common Stock	03/07/2017		A	5,683,132 ⁽²⁾	A <u>11</u> 13,083,575	I	See Footnotes <u>(7)</u> <u>(8)</u>
Common Stock	03/07/2017		P	76,850 ⁽²⁾	A <u>4</u> 13,160,425	I	See Footnotes <u>(7)</u> <u>(8)</u>
Common Stock	03/07/2017		P	1,394,158 ⁽²⁾	A \$ 0.96 14,554,583	I	See Footnotes <u>(7)</u> <u>(8)</u>
Common Stock	03/07/2017		A	66,934 ⁽³⁾	A <u>11</u> 14,621,517	I	See Footnotes <u>(7)</u> <u>(8)</u>

Edgar Filing: Capnia, Inc. - Form 4

Common Stock	03/07/2017	P	902 ⁽³⁾	A	⁽⁴⁾	14,622,419	I	See Footnotes ⁽⁷⁾ ⁽⁸⁾
Common Stock	03/07/2017	P	16,303 ⁽³⁾	A	\$ 0.96	14,638,722	I	See Footnotes ⁽⁷⁾ ⁽⁸⁾
Common Stock	04/07/2017	A	13,888 ⁽⁵⁾	A	\$ ⁽⁶⁾ 0.63	14,652,610	I	See Footnotes ⁽⁷⁾ ⁽⁸⁾

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ENGLEMAN EDGAR 1235 RADIO ROAD, SUITE 110 REDWOOD CITY, CA 94065	X	X		

Signatures

/s/ David O'Toole, attorney in fact
04/13/2017
Date

**Signature of 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).

(1) The shares were acquired on March 7, 2017, as consideration for the reporting person(s) common stock of Essentialis, Inc. ("Essentialis"), which was acquired by the Issuer, through a merger of a wholly-owned subsidiary of Issuer with and into Essentialis on March 7, 2017 pursuant to the Agreement and Plan of Merger dated December 22, 2016, by and among the Issuer, Merger Sub (as defined in the Merger Agreement), Essentialis and the Stockholders Representative (as defined therein) (the "Merger Agreement").

(2) The shares are held directly by Vivo Ventures Fund V L.P. ("Vivo Ventures Fund V"). Vivo Ventures V LLC (Vivo V LLC) is the sole general partner of Vivo Ventures Fund V, and may be deemed to beneficially own such shares. Vivo V LLC holds voting and dispositive power with respect to the securities held by Vivo Ventures Fund V. Mr. Engleman, Frank Kung and Albert Cha are members of the Vivo V LLC and disclaims beneficial ownership of the securities held by Vivo Ventures Fund V except to the extent of any pecuniary interest therein.

(3) The shares are held directly by Vivo Ventures V Affiliates Fund L.P. ("Vivo Ventures V Affiliates Fund"). Vivo V LLC is the sole general partner of Vivo Ventures V Affiliates Fund, and may be deemed to beneficially own such shares. Vivo V LLC is the sole general partner of Vivo Ventures V Affiliates Fund, and may be deemed to beneficially own such shares. Vivo V LLC holds voting and dispositive power with respect to the securities held by Vivo Ventures Fund V. Mr. Engleman, Frank Kung and Albert Cha are members of the Vivo V LLC and disclaims beneficial ownership of the securities held by Vivo Ventures Fund V except to the extent of any pecuniary interest therein.

(4) The shares were purchased in a private transaction from a former shareholder of Essentialis in exchange for cash to be used to satisfy certain withholding obligations of the shareholder, based on the closing price per share of Issuer common stock on March 7, 2017 of \$0.68.

(5) Effective January 1, 2017, annual board and committee cash retainers payable to directors will be made in equivalent shares of the Issuer's common stock, on a quarterly basis which is payable directly to Vivo Capital LLC for the service of Edgar Engleman, M.D. These shares were issued in lieu of cash in the amount of \$8,750, as compensation for Edgar Engleman's services as a board member of the Issuer pursuant to Rule 16b-3(d) and are held of record by Vivo Capital LLC. Vivo Capital LLC, an investment adviser registered with the Securities Exchange Commission, provides investment management, administrative and other related services to Vivo Ventures V, LLC, Vivo Ventures Fund V, L.P. and Vivo Ventures V Affiliates Fund, L.P. Vivo Ventures V, LLC is the sole general partner of Vivo Ventures Fund V, L.P. and Vivo Ventures V Affiliates Fund, L.P. Edgar Engleman is a managing member of Vivo Capital LLC and a managing member of Vivo Ventures V, LLC.

(6) The number of shares issuable in lieu of cash retainers was determined using the closing price per share of Issuer common stock on April 7, 2017, or \$0.63.

(7) The shares are held directly by Vivo Ventures Fund V, Vivo Ventures V Affiliates Fund, Biotechnology Development Fund IV, LP, Biotechnology Development Fund IV Affiliates, L.P., BDF IV Annex Fund, L.P. (BDF IV Funds). Vivo V LLC is the sole general partner of Vivo Ventures Fund V and Vivo Ventures V Affiliates Fund, and may be deemed to beneficially own such shares. Vivo V LLC holds voting and dispositive power with respect to the securities held by Vivo Ventures Fund V. BioAsia Investments IV, LLC (BAI IV) is the sole general partner of BDF IV Funds and may be deemed to beneficially own the common stock of Issuer owned by the BDF IV Funds. BAI IV disclaims beneficial ownership of the common stock of Issuer held by each of the BDF IV Funds, except to the extent of its pecuniary interest therein.

(8) (Continued from Footnote 7) Mr. Engleman, Frank Kung and Albert Cha are members of the Vivo V LLC and BAI IV management companies and disclaims beneficial ownership of the securities held by Vivo Ventures Fund V, the BDF IV Funds, or the Vivo Ventures V Affiliates Fund except to the extent of any pecuniary interest therein.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.