

Capnia, Inc.  
Form 4  
November 20, 2014

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**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 \*  
Vivo Ventures Fund V, L.P.

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)  
11/18/2014

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_X\_\_ 10% Owner  
\_\_\_\_ 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  
\_\_X\_\_ 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	11/18/2014		C		137,277	A	(1) 169,035	D (2)
Common Stock	11/18/2014		C		1,611	A	(1) 170,646	I See Footnote (3)
Common Stock	11/18/2014		C		178,408	A	(1) 349,054	I See Footnote (4)
Common Stock	11/18/2014		C		59,638	A	(1) 408,692	I See Footnote (5)

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Common Stock	11/18/2014	C	1,102	A	<u>(1)</u>	409,794	I	See Footnote <u>(6)</u>
Common Stock	11/18/2014	C	19,766	A	<u>(8)</u>	429,560	I	See Footnote <u>(7)</u>
Common Stock	11/18/2014	C	95,112	A	<u>(8)</u>	524,672	I	See Footnote <u>(5)</u>
Common Stock	11/18/2014	C	1,755	A	<u>(8)</u>	526,427	I	See Footnote <u>(6)</u>
Common Stock	11/18/2014	C	31,250	A	<u>(9)</u>	557,677	I	See Footnote <u>(7)</u>
Common Stock	11/18/2014	P	1,936,843	A	<u>(10)</u>	2,494,520	D <u>(2)</u>	
Common Stock	11/18/2014	P	22,729	A	<u>(11)</u>	2,517,249	I	See Footnote <u>(3)</u>
Common Stock	11/18/2014	P	28,028	A	<u>(12)</u>	2,545,277	I	See Footnote <u>(4)</u>
Common Stock	11/18/2014	P	6,689	A	<u>(13)</u>	2,551,966	I	See Footnote <u>(5)</u>
Common Stock	11/18/2014	P	122	A	<u>(14)</u>	2,552,088	I	See Footnote <u>(6)</u>
Common Stock	11/18/2014	P	348,800	A	<u>(16)</u>	2,900,888	D <u>(2)</u>	
Common Stock	11/18/2014	P	4,093	A	<u>(17)</u>	2,904,981	I	See Footnote <u>(3)</u>
Common Stock	11/18/2014	P	585,437	A	<u>(18)</u>	3,490,418	D <u>(2)</u>	
Common Stock	11/18/2014	P	6,870	A	<u>(19)</u>	3,497,288	I	See Footnote <u>(3)</u>
2010/2012 Convertible Promissory Notes	11/18/2014	S	9,427,594.51	D	<u>(10)</u>	\$ 280,248.07	D <u>(2)</u>	

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2010/2012 Convertible Promissory Notes	11/18/2014	S	110,642.23	D	(11)	\$ 169,605.84	I	See Footnote (3)
2010/2012 Convertible Promissory Notes	11/18/2014	S	136,440.76	D	(12)	\$ 33,165.08	I	See Footnote (4)
2010/2012 Convertible Promissory Notes	11/18/2014	S	32,569.17	D	(13)	\$ 595.91	I	See Footnote (5)
2010/2012 Convertible Promissory Notes	11/18/2014	S	595.91	D	(14)	\$ 0	I	See Footnote (6)
2014 Convertible Promissory Notes	11/18/2014	S	1,567,878.63	D	(16)	\$ 18,400.64	D (2)	
2014 Convertible Promissory Notes	11/18/2014	S	18,400.64	D	(17)	\$ 0	I	See Footnote (3)

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

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(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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Series C Preferred Stock	(1)	11/18/2014		C	V (A) (D) 137,277	(1)	(1)	Common Stock
Series C Preferred	(1)	11/18/2014		C	V (A) (D) 240	(1)	(1)	Common Stock

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Stock								
Series C Preferred Stock	<u>(1)</u>	11/18/2014	C	178,408	<u>(1)</u>	<u>(1)</u>	Common Stock	
Series C Preferred Stock	<u>(1)</u>	11/18/2014	C	59,638	<u>(1)</u>	<u>(1)</u>	Common Stock	
Series C Preferred Stock	<u>(1)</u>	11/18/2014	C	1,102	<u>(1)</u>	<u>(1)</u>	Common Stock	
Series B Preferred Stock	<u>(8)</u>	11/18/2014	C	19,766	<u>(8)</u>	<u>(8)</u>	Common Stock	
Series B Preferred Stock	<u>(8)</u>	11/18/2014	C	95,112	<u>(8)</u>	<u>(8)</u>	Common Stock	
Series B Preferred Stock	<u>(8)</u>	11/18/2014	C	1,755	<u>(8)</u>	<u>(8)</u>	Common Stock	
Series A Preferred Stock	<u>(9)</u>	11/18/2014	C	31,250	<u>(9)</u>	<u>(9)</u>	Common Stock	
Warrant to Purchase Common Stock	\$ 4.8675	11/18/2014	J <u>(15)</u>	322,109	<u>(15)</u>	<u>(15)</u>	Common Stock	
Warrant to Purchase Common Stock	\$ 4.8675	11/18/2014	J <u>(15)</u>	3,778	<u>(15)</u>	<u>(15)</u>	Common Stock	
Warrant to Purchase Common Stock	\$ 4.8675	11/18/2014	J <u>(15)</u>	4,205	<u>(15)</u>	<u>(15)</u>	Common Stock	
Warrant to Purchase Common Stock	\$ 4.8675	11/18/2014	J <u>(15)</u>	1,002	<u>(15)</u>	<u>(15)</u>	Common Stock	
Warrant to Purchase	\$ 4.8675	11/18/2014	J <u>(15)</u>	17	<u>(15)</u>	<u>(15)</u>	Common Stock	

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Common Stock								
Series A Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	348,800	11/18/2014	11/12/2019	Common Stock	3
Series A Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	4,093	11/18/2014	11/12/2019	Common Stock	4
Series A Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	585,437	11/18/2014	11/12/2019	Common Stock	4
Series A Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	6,870	11/18/2014	11/12/2019	Common Stock	4
Series B Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	348,800	11/18/2014	02/12/2016	Common Stock	3
Series B Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	4,093	11/18/2014	02/12/2016	Common Stock	4
Series B Warrant to Purchase Common Stock	\$ 6.5	11/18/2014	P	585,437	11/18/2014	02/12/2016	Common Stock	4
Series B Warrant to	\$ 6.5	11/18/2014	P	6,870	11/18/2014	02/12/2016	Common Stock	4

Purchase  
Common  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Vivo Ventures Fund V, L.P. 575 HIGH STREET, SUITE 201 PALO ALTO, CA 94301		X		
CHA ALBERT 575 HIGH STREET, SUITE 201 PALO ALTO, CA 94301		X		
ENGLEMAN EDGAR C/O CAPNIA, INC., 3 TWIN DOLPHIN DR, SUITE 160 REDWOOD CITY, CA 94065	X	X		

## Signatures

/s/ David O'Toole, Attorney-in-Fact for Albert Cha 11/20/2014

\_\_Signature of Reporting Person

Date

/s/ David O'Toole, Attorney-in-Fact for Edgar Engleman 11/20/2014

\_\_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).

(1) The Series C Preferred Stock converted into shares of Common Stock on a 1:1 basis and had no expiration date.

(2) The reported shares are held directly by Vivo Ventures Fund V, LP. ("Vivo LP"). Vivo Ventures V, LLC ("Vivo LLC") is the general partner of Vivo LP. As such, Vivo LLC may be deemed to be the beneficial owner of the shares held directly by Vivo LP. The managers of Vivo LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by Vivo LP. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by Vivo LP, except to the extent of such individual's or entity's pecuniary interests in the securities.

(3) The reported shares are held directly by Vivo Ventures V Affiliates Fund, LP. ("VAF"). Vivo LLC is the general partner of VAF. As such, Vivo LLC may be deemed to be the beneficial owner of the shares held directly by VAF. The managers of Vivo LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by VAF. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by VAF, except to the extent of such individual's or entity's pecuniary interests in the securities.

(4) The reported shares are held directly by BDF IV Annex Fund, L.P. ("BAF IV"). BioAsia IV LLC is the general partner of BAF IV. As such, BioAsia IV LLC may be deemed to be the beneficial owner of the shares held directly by BAF IV. The managers of BioAsia IV LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by BAF IV. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BAF IV, except to the extent of such individual's or entity's pecuniary interests in the securities.

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- (5) The reported shares are held directly by Biotechnology Development Fund IV, L.P. ("BDF IV"). BioAsia Investments IV, LLC ("BioAsia IV LLC") is the general partner of BDF IV. As such, BioAsia IV LLC may be deemed to be the beneficial owner of the shares held directly by BDF IV. The managers of BioAsia IV LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by BDF IV. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BDF IV, except to the extent of such individual's or entity's pecuniary interests in the securities.
- (6) The reported shares are held directly by Biotechnology Development Fund IV Affiliates, L.P. ("BDF IV Affiliates"). BioAsia IV LLC is the general partner of BDF IV Affiliates. As such, BioAsia IV LLC may be deemed to be the beneficial owner of the shares held directly by BDF IV Affiliates. The managers of BioAsia IV LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by BDF IV Affiliates. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BDF IV Affiliates, except to the extent of such individual's or entity's pecuniary interests in the securities.
- (7) The reported shares are held directly by Biotechnology Development Fund II, L.P. ("BDF II"). BioAsia Management, LLC ("BioAsia Management LLC") is the general partner of BDF II. As such, BioAsia Management LLC may be deemed to be the beneficial owner of the shares held directly by BDF II. The managers of BioAsia Management LLC include Frank Kung, Edgar Engleman, and Albert Cha. Accordingly, each of Frank Kung, Edgar Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by BDF II. Each of Vivo LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BDF II, except to the extent of such individual's or entity's pecuniary interests in the securities.
- (8) The Series B Preferred Stock converted into shares of Common Stock on a 1:1 basis and had no expiration date.
- (9) The Series A Preferred Stock converted into shares of Common Stock on a 1:1 basis and had no expiration date.
- (10) Vivo LP converted an aggregate of \$9,427,594.51 in principal amount and accrued interest under the 2010/2012 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.8675 per share, resulting in an acquisition of 1,909,233 shares of Common Stock. The 2012/2012 Convertible Promissory Notes were convertible into shares of Common Stock at a conversion price equal to 75% of the market price of the Common Stock on the date of conversion, which was \$6.49 per share of Common Stock.
- (11) VAF converted an aggregate of \$110,642.23 in principal amount and accrued interest under the 2010/2012 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.8675 per share, resulting in an acquisition of 22,729 shares of Common Stock. The 2012/2012 Convertible Promissory Notes were convertible into shares of Common Stock at a conversion price equal to 75% of the market price of the Common Stock on the date of conversion, which was \$6.49 per share of Common Stock.
- (12) BAF IV converted an aggregate of \$136,440.76 in principal amount and accrued interest under the 2010/2012 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.8675 per share, resulting in an acquisition of 28,028 shares of Common Stock. The 2012/2012 Convertible Promissory Notes were convertible into shares of Common Stock at a conversion price equal to 75% of the market price of the Common Stock on the date of conversion, which was \$6.49 per share of Common Stock.
- (13) BDF IV converted an aggregate of \$32,569.17 in principal amount and accrued interest under the 2010/2012 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.8675 per share, resulting in an acquisition of 6,689 shares of Common Stock. The 2012/2012 Convertible Promissory Notes were convertible into shares of Common Stock at a conversion price equal to 75% of the market price of the Common Stock on the date of conversion, which was \$6.49 per share of Common Stock.
- (14) BDF IV converted an aggregate of \$595.91 in principal amount and accrued interest under the 2010/2012 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.8675 per share, resulting in an acquisition of 122 shares of Common Stock. The 2012/2012 Convertible Promissory Notes were convertible into shares of Common Stock at a conversion price equal to 75% of the market price of the Common Stock on the date of conversion, which was \$6.49 per share of Common Stock.
- (15) The 2010/2012 Warrants to Purchase Common Stock were issued in connection with the 2010/2012 Convertible Promissory Notes and on November 18, 2014, became exercisable for that number of shares of Common Stock as is equal to the quotient of (x) and (y), where (x) is equal to 25% of the principal amount of the corresponding 2010/2012 Convertible Promissory Note in connection with which such warrant was issued and which is referenced in footnotes 11, 12, 13, and 14, and, (y) is equal to 75% of the market price of the Common Stock on November 18, 2014, which was \$6.49 per share of Common Stock. The exercise price for each of the warrants is \$4.8675 per share which is equal to 75% of the market price of the Common Stock on November 18, 2014, which was \$6.49 per share of Common Stock. The 2010/2012 Warrants to Purchase Common Stock expire on either February 10, 2020 or January 17, 2022, as more particularly set forth in each 2010/2012 Warrant to Purchase Common Stock.
- (16) Vivo LP converted an aggregate of \$1,587,044.26 in principal amount and accrued interest under the 2014 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.55 per Unit, resulting in an acquisition of 348,800 Units. The 2014 Convertible Promissory Notes were convertible into Units at a conversion price equal to 70% of the market price of the Units being sold on the date of conversion, which was \$6.50 per Unit, with each Unit consisting of (i) one share of Common Stock, (ii) one Series A Warrant to purchase one share of Common Stock, and (iii) one Series B Warrant to purchase one share of Common Stock.
- (17) VAF converted an aggregate of \$18,625.78 in principal amount and accrued interest under the 2014 Convertible Promissory Notes on November 18, 2014, at a conversion price of \$4.55 per Unit, resulting in an acquisition of 348,800 Units. The 2014 Convertible

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Promissory Notes were convertible into Units at a conversion price equal to 70% of the market price of the Units being sold on the date of conversion, which was \$6.50 per Unit, with each Unit consisting of (i) one share of Common Stock, (ii) one Series A Warrant to purchase one share of Common Stock, and (iii) one Series B Warrant to purchase one share of Common Stock.

(18) The reported securities are included within 585,437 Units purchased by Vivo LP for \$6.50 per Unit. Each Unit consists of (i) one share of Common Stock, (ii) one Series A Warrant to purchase one share of Common Stock, and (iii) one Series B Warrant to purchase one share of Common Stock.

(19) The reported securities are included within 6,870 Units purchased by VAF for \$6.50 per Unit. Each Unit consists of (i) one share of Common Stock, (ii) one Series A Warrant to purchase one share of Common Stock, and (iii) one Series B Warrant to purchase one share of Common Stock.

### Remarks:

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