

Capnia, Inc.

Form 3

November 13, 2014

FORM 3**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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.

(Last)

(First)

(Middle)

575 HIGH STREET, SUITE
201,

(Street)

PALO ALTO, CA 94301

(City)

(State)

(Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)

11/12/2014

3. Issuer Name and Ticker or Trading Symbol
Capnia, Inc. [CAPN]4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

(Check all applicable)

____ Director ☒ 10% Owner
____ Officer ____ Other
(give title below) (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 Beneficially Owned1. Title of Security
(Instr. 4)2. Amount of Securities
Beneficially Owned
(Instr. 4)3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)4. Nature of Indirect Beneficial
Ownership
(Instr. 5)

Common Stock

20,632

I

See Footnote ⁽¹⁾

Common Stock

5,728

I

See Footnote ⁽²⁾

Common Stock

5,301

I

See Footnote ⁽³⁾

Common Stock

97

I

See Footnote ⁽⁴⁾

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

SEC 1473 (7-02)

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information contained in this form are not
required to respond unless the form displays a
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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Preferred Stock ⁽⁶⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	137,277	\$ ⁽⁵⁾	D	Â
Preferred Stock ⁽⁷⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	1,611 ⁽⁶⁾	\$ ⁽⁵⁾	I	See Footnote ⁽¹⁶⁾
Preferred Stock ⁽⁸⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	178,408	\$ ⁽⁵⁾	I	See Footnote ⁽¹⁾
Preferred Stock ⁽⁹⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	51,016	\$ ⁽⁵⁾	I	See Footnote ⁽²⁾
Preferred Stock ⁽¹⁰⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	154,750	\$ ⁽⁵⁾	I	See Footnote ⁽³⁾
Preferred Stock ⁽¹¹⁾	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	2,857	\$ ⁽⁵⁾	I	See Footnote ⁽⁴⁾
2010/2012 Convertible Promissory Notes	Â ⁽¹²⁾	Â ⁽¹²⁾	Common Stock	9,427,594.51 ⁽¹²⁾	\$ ⁽¹²⁾	D	Â
2010/2012 Convertible Promissory Notes	Â ⁽¹²⁾	Â ⁽¹²⁾	Common Stock	110,642.23 ⁽¹²⁾	\$ ⁽¹²⁾	I	See Footnote ⁽¹⁶⁾
2010/2012 Convertible Promissory Notes	Â ⁽¹²⁾	Â ⁽¹²⁾	Common Stock	136,440.76 ⁽¹²⁾	\$ ⁽¹²⁾	I	See Footnote ⁽¹⁾
2010/2012 Convertible Promissory Notes	Â ⁽¹²⁾	Â ⁽¹²⁾	Common Stock	32,569.17 ⁽¹²⁾	\$ ⁽¹²⁾	I	See Footnote ⁽³⁾
2010/2012 Convertible Promissory Notes	Â ⁽¹²⁾	Â ⁽¹²⁾	Common Stock	595.91 ⁽¹²⁾	\$ ⁽¹²⁾	I	See Footnote ⁽⁴⁾
2010/2012 Warrants to purchase Common Stock	02/10/2010	02/10/2020	Common Stock	1,567,878.63 ⁽¹³⁾	\$ ⁽¹³⁾	D	Â
2010/2012 Warrants to purchase Common Stock	02/10/2010	02/10/2020	Common Stock	18,400.64 ⁽¹³⁾	\$ ⁽¹³⁾	I	See Footnote ⁽¹⁶⁾
2010/2012 Warrants to purchase Common Stock	02/10/2010	02/10/2020	Common Stock	20,475.35 ⁽¹³⁾	\$ ⁽¹³⁾	I	See Footnote ⁽¹⁾
2010/2012 Warrants to purchase Common Stock	02/10/2010	02/10/2020	Common Stock	4,887.59 ⁽¹³⁾	\$ ⁽¹³⁾	I	See Footnote ⁽³⁾
2010/2012 Warrants to	02/10/2010	02/10/2020	Common	90.18 ⁽¹³⁾	\$ ⁽¹³⁾	I	See Footnote ⁽⁴⁾

purchase Common Stock			Stock					
2014 Convertible Promissory Notes	Â (14)(15)	Â (14)(15)	Common Stock	1,587,044.26 (14)	\$ (14)	D	Â	
2014 Convertible Promissory Notes	Â (14)(15)	Â (14)(15)	Common Stock	18,625.78 (14)	\$ (14)	I	See Footnote (16)	
2014 Convertible Promissory Notes	Â (14)(15)	Â (14)(15)	Warrant to purchase Common Stock	1,587,044.26 (15)	\$ (15)	D	Â	
2014 Convertible Promissory Notes	Â (14)(15)	Â (14)(15)	Warrant to purchase Common Stock	18,625.78 (15)	\$ (15)	I	See Footnote (16)	

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	Â	Â X	Â	Â
CHA ALBERT 575 HIGH STREET, SUITE 201 PALO ALTO, CA 94301	Â	Â X	Â	Â
ENGLEMAN EDGAR C/O CAPNIA, INC., 3 TWIN DOLPHIN DR, SUITE 160 REDWOOD CITY, CA 94065	Â X	Â X	Â	Â

Signatures

/s/ Antoun Nabhan, Attorney-in-Fact for Albert Cha, Albert Cha	11/12/2014
____Signature of Reporting Person	Date
/s/ Antoun Nabhan, Attorney-in-Fact for Edgar Engleman, Edgar Engleman	11/12/2014
____Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) These shares are held directly by BDF IV Annex Fund, L.P. ("BAF IV"). BioAsia Investments IV, LLC ("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

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Engleman and Albert Cha may be deemed to be the beneficial owner of the shares held directly by BAF IV. Each of BioAsia IV 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.

These shares are held directly by Biotechnology Development Fund II, L.P. ("BDF II"). BioAsia Management, LLC ("BioAsia LLC") is the general partner of BDF II. As such, BioAsia LLC may be deemed to be the beneficial owner of the shares held directly by BDF II.

- (2) The managers of BioAsia 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 BioAsia Management, 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.

These shares are held directly by Biotechnology Development Fund IV, L.P. ("BDF IV"). 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 BioAsia IV 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.

- (3) These shares are held directly by Biotechnology Development Fund IV Affiliates, L.P. ("BDFA"). BioAsia IV LLC is the general partner of BDFA. As such, BioAsia IV LLC may be deemed to be the beneficial owner of the shares held directly by BDFA. 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 BDFA. Each of BioAsia IV LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BDFA, except to the extent of such individual's or entity's pecuniary interests in the securities.

- (5) Each one (1) share of Series A Preferred, Series B Preferred Stock and Series C Preferred Stock is convertible into one (1) share of Issuer's Common Stock for no additional consideration and had no exercise or expiration date.
- (6) The reported shares represent 137,277 shares of Common Stock issuable upon the conversion of 137,277 shares of Series C Preferred Stock.
- (7) The reported shares represent 1,611 shares of Common Stock issuable upon the conversion of 1,611 shares of Series C Preferred Stock.
- (8) The reported shares represent 178,408 shares of Common Stock issuable upon the conversion of 178,408 shares of Series C Preferred Stock.
- (9) These reported shares represent: (i) 31,250 shares of Common Stock issuable upon the conversion of 31,250 shares of Series A Preferred Stock, and (ii) 19,766 shares of Common Stock issuable upon the conversion of 19,766 shares of Series B Preferred Stock.
- (10) The reported shares represent: (i) 95,112 shares of Common Stock issuable upon conversion of 95,112 shares of Series B Preferred Stock, and (ii) 59,638 shares of Common Stock issued issuable upon the conversion of 59,638 shares of Series C Preferred.
- (11) The reported shares represent: (i) 1,755 shares of Common Stock issuable upon the conversion of 1,755 shares of Series B Preferred Stock, and (ii) 1,102 shares of Common Stock issuable upon the conversion of 1,102 shares of Series C Preferred Stock.

- (12) The reported 2010/2012 Convertible Promissory Notes automatically convert into shares of Common Stock immediately prior to the closing of the Issuer's initial public offering, estimated to be on or about November 18, 2014. The reported securities will convert into Common Stock at a 75% of the Common Stock price in connection with such offering. The reported 2010/2012 Convertible Promissory Notes had no exercise date or expiration date.

- (13) The reported 2010/2012 Warrants to purchase Common Stock are exercisable for that number of shares of the Company's Common Stock equal to the quotient obtained by dividing (x) 25% of the principal amount of the 2010/2012 Convertible Promissory Notes with which such 2010/2012 Warrants were issued (which 25% of the principal amount is set forth on Table II) by (y) 75% of the Common Stock price in connection with the Issuer's initial public offering, estimated to be on or about November 18, 2014. The exercise price will be 75% of the Common Stock price in connection with such offering.

- (14) The reported 2014 Convertible Promissory Notes are automatically convertible into shares of Common Stock upon the closing of the IPO, and such shares of Common Stock are included within an equivalent number of Units to be issued upon the automatic conversion of the 2014 Convertible Promissory Notes immediately prior to the closing of the initial public offering, with an aggregate conversion price equal to the aggregate principal amount, together with accrued interest, of the 2014 Convertible Promissory Notes, for a per Unit conversion price equal to 70% of the per Unit price issued in the Issuer's initial public offering. Each Unit consists of (i) one (1) share of Common Stock, and (ii) one (1) warrant to purchase one (1) share of Common Stock, referenced in footnote 15 below. The reported 2014 Convertible Promissory Notes had no exercise date or expiration date.

- (15) The reported 2014 Convertible Promissory Notes are automatically convertible into warrants to purchase shares of Common Stock upon the closing of the IPO, and such warrants to purchase shares of Common Stock are included within an equivalent number of Units to be issued upon the automatic conversion of the 2014 Convertible Promissory Notes immediately prior to the closing of the initial public offering, with an aggregate conversion price equal to the aggregate principal amount, together with accrued interest, of the 2014

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Convertible Promissory Notes, for a per Unit conversion price equal to 70% of the per Unit price issued in the Issuer's initial public offering. Each Unit consists of (i) one (1) share of Common Stock, referenced in footnote 14 above, and (ii) one (1) warrant to purchase one (1) share of Common Stock. The reported 2014 Convertible Promissory Notes had no exercise date or expiration date.

- (16) The reported shares are held directly by Vivo Ventures V Affiliates Fund, LP. ("VAF"). Vivo Ventures V, LLC ("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 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.

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Remarks:

FormÂ 2Â ofÂ 2.

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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