

Capnia, Inc.  
Form 4  
March 09, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
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 \*  
SHAH MAHENDRA

(Last) (First) (Middle)

C/O VIVO CAPITAL LLC, 505  
HAMILTON AVENUE, SUITE 207

(Street)

PALO ALTO, CA 94301

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | (A) or (D) Price  |  |                                   |
| Common Stock                    | 03/07/2017                           |  | A                              | 94,584<br>(1) (2)   | A (3) 94,584  | D  |                                   |

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)**

## Edgar Filing: Capnia, Inc. - Form 4

| 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) |                  |                 |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|-----------------|--------------|----------------------------|
|  |  |                                      |  | Code                           | V   | (A)  | (D)   | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
| Employee Stock Option                      | \$ 0.68  | 03/07/2017                           |  | A                              |   | 20,000   |   | (4)              | 03/07/2027      | Common Stock | 20,000                     |

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

SHAH MAHENDRA  
C/O VIVO CAPITAL LLC  
505 HAMILTON AVENUE, SUITE 207  
PALO ALTO, CA 94301

X

## Signatures

/s/ Mahendra  
Shah

03/09/2017

\*\*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 reporting person acquired these securities on March 7, 2017, as consideration for the reporting person's interest as a participant in the management carve-out plan of Essentialis, Inc., which was acquired by the Issuer, through a merger of a wholly-owned subsidiary of

(1) 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) Continued from Footnote 1 Under the terms of the Merger Agreement, a portion of the merger consideration was held back as partial recourse to satisfy indemnification claims made by the Issuer under the Merger Agreement, and such shares will be issued to former shareholders of Essentialis, participants in Essentialis' management carve-out plan and other service providers of Essentialis, upon the one-year anniversary of the closing of the Merger (subject to the limitations set forth in the Merger Agreement).

(3) Under the terms of Essentialis' management carve-out plan, the number of shares issuable to carve-out plan participants was determined using the closing price per share of Issuer common stock on March 7, 2017, or \$0.68.

(4) One forty-eighth (1/48) of the shares subject to the Option shall vest on the first month anniversary of the Vesting Commencement Date (which is March 7, 2017), and shall continue to vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of the month), such that all of the shares subject to the Option will have vested as of the fourth anniversary of the Vesting Commencement Date, subject to Participant continuing to be a Service Provider (as defined in the Plan) through each such date.

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

## Edgar Filing: Capnia, Inc. - Form 4

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.