Capnia, Inc. Form 4 May 19, 2015

# FORM 4

#### **OMB APPROVAL**

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

**OMB** 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

Form 4 or Form 5 obligations STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

Estimated average burden hours per response... 0.5

may continue. See Instruction

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

1(b).

(Last)

(City)

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person \*

Anish Bhatnagar

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(First)

(Middle)

(Zip)

Capnia, Inc. [CAPN]

(Check all applicable)

3 TWIN DOLPHIN DRIVE, SUITE

(Street)

(State)

160

3. Date of Earliest Transaction

(Month/Day/Year) 05/15/2015

\_X\_\_ Director 10% Owner X\_ Officer (give title Other (specify

below) below) See Remarks

4. If Amendment, Date Original

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

Filed(Month/Day/Year)

\_X\_ 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

REDWOOD CITY, CA 94065

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and Expiration Date (Month/Day/Year)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or Derivative Disposed of (D) (Instr. 3, 4, and 5)

Code V (A) (D) Date Exercisable Expiration
Date

Employee

Stock \$ 4.66 05/15/2015 A 150,000 05/15/2015(1)(2)(3)(4)(5)(6)(7) 05/15/2025

Option

## **Reporting Owners**

Reporting Owner Name / Address

Director 10% Owner Officer Other

Anish Bhatnagar

3 TWIN DOLPHIN DRIVE, SUITE 160 X See Remarks

REDWOOD CITY, CA 94065

# **Signatures**

/s/ David D. O'Toole, As Attorney-in-Fact 05/19/2015

\*\*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).

Beginning on May 15, 2015, One fourth (1/4) of the shares subject to the Option shall vest immediately as of the Vesting Commencement Date, and an additional one forty-eighth (1/48) of the remaining number of shares subject to the Option shall 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),

- (1) 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; provided, however, that if a termination without "Cause" or resignation for "Good Reason" by Participant occurs before six (6) months prior to a Change in Control of the Company,
  - (Continued from Footnote 1) then twenty-five percent (25%) of any unvested equity awards held by Participant as of the date of such termination without cause or resignation for good reason shall immediately vest and become fully exercisable; provided, further, that if termination without "Cause" or resignation for "Good Reason" by Participant occurs within six (6) months prior to, or twelve (12) months
- (2) following, a Change in Control of the Company, then one hundred percent (100%) of any unvested equity awards held by Participant as of the date of such termination without "Cause" or resignation for "Good Reason" shall immediately vest and become fully exercisable; provided, further that following termination without "Cause" or resignation for "Good Reason" by Participant at any time, then Participant shall have one year to exercise any vested options.
  - (Continued from Footnote 2) "Cause" means: (i) Participant's act of personal dishonesty in connection with his responsibilities as an employee that is intended to result in Participant's substantial personal enrichment; (ii) Participant being convicted of, or pleading no contest or guilty to, (x) a misdemeanor that the Company reasonably believes has had or will have a material detrimental effect on the
- (3) Company, or (y) any felony; (iii) Participant's gross misconduct; (iv) Participant's willful and continued failure to perform the duties and responsibilities of Participant's position after there has been delivered to Participant a written demand for performance from the Company that describes the basis for the Company's belief that Participant has not substantially performed Participant's duties and Participant has not corrected such failure within thirty (30) days of such written demand;
- (4) (Continued from Footnote 3) or (v) Participant's material violation of any written Company employment policy or standard of conduct, including a material breach of the Participant's confidential information agreement.

Reporting Owners 2

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- (Continued from Footnote 4) "Good Reason" means Participant's resignation within thirty (30) days following the expiration of any Company cure period (discussed below) following the occurrence of one or more of the following, without Participant's consent: (i) a material reduction in Participant's Base Salary, excluding the substitution of substantially equivalent compensation and benefits, that is
- (5) not generally applicable to all Company senior management or employees of the Company generally; (ii) a material reduction of Participant's authority, duties or responsibilities, unless Participant is provided with a comparable position; provided, however, that a reduction in authority, duties, or responsibilities solely by virtue of the Company being acquired and made part of a larger entity whether as a subsidiary,
  - (Continued from Footnote 5) business unit or otherwise (as, for example, when the Chief Executive Officer of the Company remains as such following an acquisition where the Company becomes a wholly owned subsidiary of the acquirer, but is not made the Chief
- (6) Executive Officer of the acquiring corporation) will not constitute "Good Reason"; or (iii) a material change in the geographic location of Participant's primary work facility or location; provided, that a relocation of fifty (50) miles or less from Participant's then present location or to Participant's home as Participant's primary work location will not be considered a material change in geographic location.
- (Continued from Footnote 6) In order for an event to qualify as Good Reason, Participant must not terminate employment with the

  Company without first providing the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of the grounds for "Good Reason" and a reasonable cure period of not less than thirty (30) days following the date of such notice, and such grounds must not have been cured during such time.

#### **Remarks:**

#### President and Chief Executive Officer

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.