

PROTEON THERAPEUTICS INC
Form 4
October 27, 2014

FORM 4

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

OMB APPROVAL

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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 *
Flynn James E

2. Issuer Name and Ticker or Trading Symbol
PROTEON THERAPEUTICS INC
[PRTO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
780 THIRD AVENUE, 37TH FLOOR,
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/27/2014

____ Director
____ Officer (give title below)
____ 10% Owner
____ Other (specify below)
Possible Member of 10% Group

NEW YORK, NY 10017

(City) (State) (Zip)

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

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)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/27/2014		C		406,896	A	11	406,896	I (3)	Through Deerfield Private Design Fund III, L.P. (4) (5)
Common Stock	10/27/2014		C		87,013	A	11	87,013	I (3)	Through Deerfield Special Situations Fund, L.P. (4) (5)

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Common Stock	10/27/2014	C	69,485	A	Ⓐ	69,485	I ⁽³⁾	Through Deerfield Special Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	469,495	A	\$ 10	876,391	I ⁽³⁾	Through Deerfield Private Design Fund III, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	98,556	A	\$ 10	185,569	I ⁽³⁾	Through Deerfield Special Situations Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	81,949	A	\$ 10	151,434	I ⁽³⁾	Through Deerfield Special Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	6,976	A	\$ 10	192,545	I ⁽³⁾	Through Deerfield Special Situations Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	5,801	A	\$ 10	157,235	I ⁽³⁾	Through Deerfield Special Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	15,417	A	\$ 10	207,962	I ⁽³⁾	Through Deerfield Special Situations Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014	P	12,819	A	\$ 10	170,054	I ⁽³⁾	Through Deerfield Special

Common Stock	10/27/2014		P	328	A	\$ 10	208,290	I ⁽³⁾	Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾ Through Deerfield Special Situations Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014		P	272	A	\$ 10	170,326	I ⁽³⁾	Through Deerfield Special Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014		P	55	A	\$ 10	208,345	I ⁽³⁾	Through Deerfield Special Situations Fund, L.P. ⁽⁴⁾ ⁽⁵⁾
Common Stock	10/27/2014		P	45	A	\$ 10	170,371	I ⁽³⁾	Through Deerfield Special Situations International Master Fund, L.P. ⁽⁴⁾ ⁽⁵⁾

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Series D Preferred Stock	(1)	10/27/2014	C	6,134,501	(1)	(1)	Common Stock	406,896
Series D Preferred Stock	(1)	10/27/2014	C	1,311,840	(1)	(1)	Common Stock	87,013
Series D Preferred Stock	(1)	10/27/2014	C	1,047,584	(1)	(1)	Common Stock	69,485
Series D Purchase Right	(2)	10/27/2014	J	4,907,601	(2)	(2)	Common Stock	309,238 (2)
Series D Purchase Right	(2)	10/27/2014	J	1,049,472	(2)	(2)	Common Stock	66,129 (2)
Series D Purchase Right	(2)	10/27/2014	J	838,067	(2)	(2)	Common Stock	52,808 (2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Flynn James E 780 THIRD AVENUE, 37TH FLOOR NEW YORK, NY 10017		X		Possible Member of 10% Group
Deerfield Mgmt L.P. 780 THIRD AVENUE, 37TH FLOOR		X		Possible Member of 10% Group

NEW YORK, NY 10017

DEERFIELD MANAGEMENT CO
780 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10017

X

Possible Member of 10% Group

Deerfield Special Situations Fund, L.P.
780 3RD AVENUE
37TH FLOOR
NEW YORK, NY 10017

X

Possible Member of 10% Group

Deerfield Special Situations International Master Fund, L.P.
780 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10017

X

Possible Member of 10% Group

Deerfield Mgmt III, L.P.
780 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10017

X

Possible Member of 10% Group

Deerfield Private Design Fund III, L.P.
780 THIRD AVENUE, 37TH FLOOR
NEW YORK, NY 10017

X

Possible Member of 10% Group

Signatures

/s/ Jonathan Isler

10/27/2014

**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) Each share of Series D Preferred Stock was convertible into 0.063 shares of the Issuer's common stock (on an adjusted basis, after giving effect to the 1-for-15.87 reverse stock split effected by the Issuer on October 6, 2014), plus an additional number of shares in respect of an anti-dilution adjustment based upon the offering price and participation in the initial public offering. Shares of Series D Preferred Stock had no expiration date and automatically converted into shares of the Issuer's common stock upon the closing of the Issuer's initial public offering of common stock.

(2) The Series D Purchase Right entitled the holder to purchase shares of Series D Convertible Preferred Stock under the Series D Preferred Stock purchase agreement at a price of \$0.588656 per share of Series D Preferred Stock, which right to purchase ceased to be exercisable upon the initial filing of the Issuer's registration statement for its initial public offering, and terminated upon the completion of the Issuer's initial public offering of common stock. Each share of Series D Preferred Stock issuable upon exercise of the Series D Purchase Right would have been convertible into shares of the Issuer's common stock as described in footnote (1) above.

(3) This Form 4 is being filed by the undersigned as well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons").

(4) Deerfield Mgmt III, L.P. is the general partner of Deerfield Private Design Fund III, L.P. ("Fund III"). Deerfield Mgmt, L.P. is the general partner of Deerfield Special Situations Fund, L.P. and Deerfield Special Situations International Master Fund, L.P. (collectively with Fund III, the "Funds"). Deerfield Management Company, L.P. is the investment manager of the Funds. James E. Flynn is the sole member of the general partner of each of Deerfield Mgmt III, L.P., Deerfield Mgmt, L.P. and Deerfield Management Company, L.P.

(5) In accordance with Instruction 5 (b)(iv) to Form 3, the entire amount of the Issuer's securities held by the Funds is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.

Remarks:

Signatures

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Jonathan Isler, Attorney-in-Fact: Power of Attorney, which is hereby incorporated by reference to Exhibit 24 to a Form 3 with

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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