

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 * |         | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol                               |  |
| Vivo Ventures Fund V, L.P.                |         | (Month/Day/Year)                     | Capnia, Inc. [CAPN]  |  |
| (Last)                                    | (First) | (Middle)                             | 4. Relationship of Reporting Person(s) to Issuer                                 | 5. If Amendment, Date Original Filed(Month/Day/Year) |
|   |         |                                      | (Check all applicable)   |  |
| 575 HIGH STREET, SUITE 201,               |         |                                      | <input type="checkbox"/> Director  | <input checked="" type="checkbox"/> 10% Owner        |
| (Street)                                  |         |                                      | <input type="checkbox"/> Officer   | <input type="checkbox"/> Other                       |
| PALO ALTO, CA 94301                       |         |                                      | (give title below)   | (specify below)                                      |
| (City)                                    | (State) | (Zip)                                | 6. Individual or Joint/Group Filing(Check Applicable Line)                       |  |
|   |         |                                      | <input type="checkbox"/> Form filed by One Reporting Person                      |  |
|   |         |                                      | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. 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 <sup>(1)</sup>                           |
| Common Stock                    | 5,728   | I  | See Footnote <sup>(2)</sup>                           |
| Common Stock                    | 5,301   | I  | See Footnote <sup>(3)</sup>                           |
| Common Stock                    | 97  | I  | See Footnote <sup>(4)</sup>                           |

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

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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

|                                   |            |            |                                  |                   |         |   |                   |
|-----------------------------------|------------|------------|----------------------------------|-------------------|---------|---|-------------------|
| 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.<br>575 HIGH STREET, SUITE 201<br>PALO ALTO, CA 94301               | Â             | Â X       | Â       | Â     |
| CHA ALBERT<br>575 HIGH STREET, SUITE 201<br>PALO ALTO, CA 94301                               | Â             | Â X       | Â       | Â     |
| ENGLEMAN EDGAR<br>C/O CAPNIA, INC.,<br>3 TWIN DOLPHIN DR, SUITE 160<br>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.

(2) 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. 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.

(3) 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.

(4) These shares are held directly by Biotechnology Development Fund IV Affiliates, L.P. ("BDFIA"). BioAsia IV LLC is the general partner of BDFIA. As such, BioAsia IV LLC may be deemed to be the beneficial owner of the shares held directly by BDFIA. 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 BDFIA. Each of BioAsia IV LLC, Frank Kung, Edgar Engleman and Albert Cha disclaims beneficial ownership of the securities held by BDFIA, 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. 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.