Capnia, Inc.
Form 4
November 14, 2014

FORM 4

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

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
MARIO ERNEST

(Last) (First) (Middle)

3 TWIN DOLPHIN DRIVE, SUITE 160

(Street)

REDWOOD CITY, CA 94065

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Capnia, Inc. [CAPN]

3. Date of Earliest Transaction (Month/Day/Year)
11/12/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director
_____ Officer (give title below)
__X__ 10% Owner
_____ Other (specify below)

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

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			

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)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	$ 7.139	11/12/2014	A		49,772		(1)(2)	08/04/2024	Common Stock	49,772
Employee Stock Option	$ 7.139	11/12/2014	A		7,000		(3)	08/04/2024	Common Stock	7,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARIO ERNEST 3 TWIN DOLPHIN DRIVE, SUITE 160 REDWOOD CITY, CA 94065	X	X		

Signatures

/s/ David O'Toole, Attorney-in-Fact	11/14/2014
**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) Beginning on August 4, 2014, twenty-five percent (25%) of the shares subject to the Option shall vest immediately and one forty-eighth (1/48th) of the remaining of shares subject to the Option shall vest monthly thereafter on the same day of the month as the date of grant, subject to Optionee's continuing to be a Service Provider on such dates; provided, however, that in the event that the Optionee's continuous status as a Service Provider is terminated by the Company without Cause (as defined below) within twelve months after a Change of Control (as defined below), 100% of the total number of shares that have not yet vested shall be immediately accelerate and vest immediately prior to such time.

(2) (Continued from Footnote 1)."Cause" shall mean the Optionee's repeated failure to perform his or her assigned duties or responsibilities as a Service Provider (other than a failure resulting from the Optionee's disability) after notice thereof from the Company describing the Optionee's failure to perform such duties or responsibilities; (ii) the Optionee engaging in any act of dishonesty, fraud or misrepresentation; (iii) the Optionee's violation of any federal or state law or regulation applicable to the business of the Company or its affiliates; (iv) the Optionee's breach of any confidentiality agreement or invention assignment agreement between the Optionee and the Company (or any affiliate of the Company); or (v) the Optionee being convicted of, or entering a plea of nolo contendere to, any crime or committing any act of moral turpitude. "Change of Control" shall have the meaning set forth in the Post-IPO Plan.

(3) Beginning August 4, 2015, twenty-five percent (25%) of the shares subject to the Option shall vest, and each yearly anniversary thereafter, an additional twenty-five percent (25%) of the of the total number of shares subject to the Option shall vest, subject to Optionee's continuing to be a Service Provider on such dates; provided, however, that in the event that of a Change of Control (as defined below), 100% of the total number of shares that have not yet vested shall be immediately accelerate and vest immediately prior to such time, provided that Optionee is still providing services to the Company at such time. "Change of Control" shall have the meaning set forth

in the Post-IPO Plan.

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.