

Capnia, Inc.  
Form 4  
May 19, 2015

**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 \*  
O'Toole David D

(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)  
05/15/2015

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)  
See Remarks

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 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)	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 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 Underlying (Instr.)
---------------------------------	---------------------------	--------------------------------------	-----------------------------------	---------------------	------------------------------------	--	------------------------------

Edgar Filing: Capnia, Inc. - Form 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
Employee Stock Option	\$ 4.66	05/15/2015	A	30,000					06/15/2015 <sup>(1)(2)(3)(4)(5)(6)</sup>	05/15/2025	Com St

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
O'Toole David D 3 TWIN DOLPHIN DRIVE, SUITE 160 REDWOOD CITY, CA 94065			See Remarks	

## Signatures

/s/ David D.  
O'Toole

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 June 15, 2015, One forty-eighth (1/48) of the total number of shares subject to the Option shall vest each month following the Vesting Commencement Date 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
- (1) 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 Participant is terminated without cause or resigns for good reason occurs within three (3) months prior to, or six (6) months following, a Change in Control of the Company, then one hundred percent (100%) of the Option shall immediately vest and become fully exercisable.
- (Continued from Footnote 1) "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
- (2) 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;
- (Continued from Footnote 2) 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.
- (4) (Continued from Footnote 3) "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 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

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

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,

- (5) (Continued from Footnote 4) 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 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. In order for an event to qualify as Good Reason,

- (6) (Continued from Footnote 5) 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:

Senior Vice President, Chief Financial 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.