



DIVISION OF  
CORPORATION FINANCE

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

July 25, 2014

Via E-mail

Anish Bhatnagar  
Chief Executive Officer  
Capnia, Inc.  
3 Twin Dolphin Drive, Suite 160  
Redwood City, CA 94065

**Re: Capnia, Inc.  
Amendment No. 2 to Registration Statement on Form S-1  
Filed July 22, 2014  
File No. 333-196635**

Dear Mr. Bhatnagar:

We have reviewed your registration statement and have the following comment. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by amending your registration statement and providing the requested information. If you do not believe our comment applies to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your registration statement and the information you provide in response to the comment, we may have additional comments.

After this offering, our executive officers, directors and principal stockholders..., page 46

1. We refer to your disclosure on the prospectus cover page indicating that certain of your existing stockholders, or their affiliates, including entities associated with Vivo Ventures, have indicated their interest in purchasing up to \$5,000,000 of units in the offering. Based on your revised disclosures concerning the size of the offering, it appears that Vivo Ventures could potentially hold a controlling interest following the offering. Additionally, it appears that your executive officers, directors and principal stockholders could beneficially own substantially more than the 52.59% holdings reflected in your current risk factor disclosure. Accordingly, please provide us an analysis of whether your existing factor disclosure is sufficient to convey material risks related to the post-offering holdings of your executive officers, directors and principal stockholders. Depending on your analysis, please also consider whether risks related to their potential holdings should be highlighted on pages 3-4 of your Summary.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Act of 1933 and all applicable Securities Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

Notwithstanding our comments, in the event you request acceleration of the effective date of the pending registration statement please provide a written statement from the company acknowledging that:

- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- the company may not assert staff comments and the declaration of effectiveness as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please refer to Rules 460 and 461 regarding requests for acceleration. We will consider a written request for acceleration of the effective date of the registration statement as confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. Please allow adequate time for us to review any amendment prior to the requested effective date of the registration statement.

You may contact Jeanne Bennett at (202) 551-3606 or Brian Cascio, Accounting Branch Chief, at (202) 551-3676 if you have questions regarding comments on the financial statements and related matters. Please contact Joseph McCann at (202) 551-6262 or Daniel Morris, Special Counsel, at (202) 551-3314 with any other questions.

Sincerely,

/s/ Daniel Morris for

Amanda Ravitz  
Assistant Director

cc (via email): Elton Satusky, Esq. - Wilson Sonsini Goodrich & Rosati