

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Anish Bhatnagar</u> (Last) (First) (Middle) 3 TWIN DOLPHIN DRIVE, SUITE 160 (Street) REDWOOD CA 94065 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Capnia, Inc. [CAPN]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) 05/15/2015	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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			

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option	\$4.66	05/15/2015		A		150,000		05/15/2015 ⁽¹⁾ 02/3 ⁽⁴⁾ 05/6 ⁽⁷⁾	05/15/2025	Common Stock	150,000	\$0.00	150,000	D	

Explanation of Responses:

- Beginning on May 15, 2015, One fourth (1/4) of the shares subject to the Option shall vest immediately as of the Vesting Commencement Date, and an additional one forty-eighth (1/48) of the remaining number of shares subject to the Option shall vest each month thereafter 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 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 a termination without "Cause" or resignation for "Good Reason" by Participant occurs before six (6) months prior to a Change in Control of the Company,
- (Continued from Footnote 1) then twenty-five percent (25%) of any unvested equity awards held by Participant as of the date of such termination without cause or resignation for good reason shall immediately vest and become fully exercisable; provided, further, that if termination without "Cause" or resignation for "Good Reason" by Participant occurs within six (6) months prior to, or twelve (12) months following, a Change in Control of the Company, then one hundred percent (100%) of any unvested equity awards held by Participant as of the date of such termination without "Cause" or resignation for "Good Reason" shall immediately vest and become fully exercisable; provided, further that following termination without "Cause" or resignation for "Good Reason" by Participant at any time, then Participant shall have one year to exercise any vested options.
- (Continued from Footnote 2) "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 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 3) 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.
- (Continued from Footnote 4) "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 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,
- (Continued from Footnote 5) 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.
- (Continued from Footnote 6) In order for an event to qualify as Good Reason, 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:

President and Chief Executive Officer

/s/ David D. O'Toole, As
Attorney-in-Fact

05/19/2015

** Signature of Reporting Person Date

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

* 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).

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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