

YETTER JOHN E
Form 4
January 25, 2011

FORM 4

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

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).

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 *
YETTER JOHN E

(Last) (First) (Middle)

DERMA SCIENCES INC, 214
CARNEGIE CENTER, SUITE 300

(Street)

PRINCETON, NJ 08540

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DERMA SCIENCES, INC. [DSCI]

3. Date of Earliest Transaction
(Month/Day/Year)
01/25/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

Vice President & CFO

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial 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.

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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
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Instr. 3 and 4)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
stock option (right to buy)	\$ 4.95	01/25/2011	A		6,500		01/25/2011 ⁽¹⁾	01/20/2021	common stock	6,500
stock option (right to buy)	\$ 4.95	01/25/2011	A		10,000		⁽³⁾	01/20/2021	common stock	10,000
restricted stock unit	\$ 0 ⁽⁴⁾	01/25/2011	A		3,000		⁽⁵⁾	04/01/2012	common stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
YETTER JOHN E DERMA SCIENCES INC 214 CARNEGIE CENTER, SUITE 300 PRINCETON, NJ 08540			Vice President & CFO	

Signatures

John E. Yetter, by Raymond C. Hedger, Jr., Attorney In Fact
01/25/2011

__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) The options vested as to 25% on January 25, 2011, the date of the execution of the stock option agreement reflecting the subject grant, and will vest as to an additional 25% on January 20 of 2012, 2013 and 2014.
- (2) The options were issued in consideration of the reporting person's services to the issuer and without payment of cash consideration, under the issuer's stock option plan.
- (3) The options will vest, if at all, to the extent of the issuer's performance in 2011 and the grantee's contribution thereto as determined by the issuer's board of directors not later than April 1, 2012.
- (4) Upon vesting, the reporting person will receive the number of shares of the issuer's common stock equal to the number of restricted stock units, without payment of further consideration.
- (5) The restricted stock units will vest, if at all, to the extent of the issuer's performance in 2011 and the grantee's contribution thereto as determined by the issuer's board of directors not later than April 1, 2012.

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- (6) The restricted stock units were issued in consideration of the reporting person's services to the issuer and without payment of cash consideration, under the issuer's restricted stock plan.

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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