

Otonomy, Inc.
Form 4
August 19, 2014

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 *
MCKEARN JOHN P

(Last) (First) (Middle)

C/O RIVERVEST VENTURE PARTNERS, 7733 FORSYTH BOULEVARD, SUITE 1650

(Street)

ST. LOUIS, MO 63105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Otonomy, Inc. [OTIC]

3. Date of Earliest Transaction (Month/Day/Year)
08/18/2014

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)

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 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			
Common Stock	08/18/2014		C		778,052	A	Ⓛ	778,052	I	See footnotes (2) (4)
Common Stock	08/18/2014		X		35,785	A	\$ 8.79	813,837	I	See footnotes (2) (4) (7)
Common Stock	08/18/2014		S		19,660	D	\$ 8.79	794,177	I	See footnotes (2) (4) (7)
Common	08/18/2014		C		211,331	A	Ⓛ	211,331	I	See

Edgar Filing: Otonomy, Inc. - Form 4

Stock								footnotes (3) (4)
Common Stock	08/18/2014	X	9,720	A	\$ 8.79	221,051	I	See footnotes (3) (4) (8)
Common Stock	08/18/2014	S	5,340	D	\$ 8.79	215,711	I	See footnotes (3) (4) (8)

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 (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 Underlying Security (Instr. 3 and 4)	Amount of Underlying Security	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Underlying Security
Series B Preferred Stock	(1)	08/18/2014		C	V (A) (D)	(1) (1)	Common Stock	155,000	
Series C Preferred Stock	(1)	08/18/2014		C	V (A) (D)	(1) (1)	Common Stock	481,000	
Series D Preferred Stock	(1)	08/18/2014		C	V (A) (D)	(1) (1)	Common Stock	141,000	
Series C Preferred Stock Warrant (right to buy)	\$ 8.79	08/18/2014		C	V (A) (D)	(5) (6)	Series C Preferred Stock (1)	19,085	
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014		C	V (A) (D)	(5) (6)	Common Stock	19,085	
	\$ 8.79	08/18/2014		X	V (A) (D)	(5) (6)	Common Stock	19,085	

Edgar Filing: Otonomy, Inc. - Form 4

Common Stock Warrant (right to buy)								Common Stock	
Series C Preferred Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	16,700 <u>(6)</u>	<u>(5)</u>	08/18/2014	Series C Preferred Stock <u>(1)</u>	16	
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	16,700 <u>(6)</u>	<u>(5)</u>	08/18/2014	Common Stock	16	
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	X	16,700	<u>(5)</u>	08/18/2014	Common Stock	16	
Series B Preferred Stock	<u>(1)</u>	08/18/2014	C	42,265	<u>(1)</u>	<u>(1)</u>	Common Stock	42	
Series C Preferred Stock	<u>(1)</u>	08/18/2014	C	130,741	<u>(1)</u>	<u>(1)</u>	Common Stock	130	
Series D Preferred Stock	<u>(1)</u>	08/18/2014	C	38,325	<u>(1)</u>	<u>(1)</u>	Common Stock	38	
Series C Preferred Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	5,184 <u>(8)</u>	<u>(5)</u>	08/18/2014	Series C Preferred Stock <u>(1)</u>	5,	
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	5,184 <u>(8)</u>	<u>(5)</u>	08/18/2014	Common Stock	5,	
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	X	5,184	<u>(5)</u>	08/18/2014	Common Stock	5,	

Series C Preferred Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	4,536 ⁽⁸⁾	<u>(5)</u>	08/18/2014	Series C Preferred Stock ⁽¹⁾	4,
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	C	4,536 ⁽⁸⁾	<u>(5)</u>	08/18/2014	Common Stock	4,
Common Stock Warrant (right to buy)	\$ 8.79	08/18/2014	X	4,536	<u>(5)</u>	08/18/2014	Common Stock	4,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCKEARN JOHN P C/O RIVERVEST VENTURE PARTNERS 7733 FORSYTH BOULEVARD, SUITE 1650 ST. LOUIS, MO 63105		X		

Signatures

/s/ Paul E. Cayer, by power of attorney
Date: 08/18/2014

**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).
- Each of the Series B Convertible Preferred Stock, the Series C Convertible Preferred Stock and the Series D Convertible Preferred Stock
- (1) automatically converted into Common Stock, for no additional consideration, on a one-for-one basis immediately prior to the completion of the Issuer's initial public offering of Common Stock and had no expiration date.
 - (2) The securities are held of record by RiverVest Venture Fund II, L.P.
 - (3) The securities are held of record by RiverVest Venture Fund II (Ohio), L.P.
- The Reporting Person is an authorized person of RiverVest Venture Partners II, LLC, the general partner of RiverVest Venture Partners II, L.P. RiverVest Venture Partners II, L.P. is the sole member of RiverVest Venture Partners II (Ohio), LLC, the general partner of RiverVest Venture Fund II (Ohio), L.P. RiverVest Venture Partners II, L.P. is also the general partner of RiverVest Venture Fund II, L.P.
- (4) As an authorized person of RiverVest Venture Partners II, LLC, the Reporting Person may be deemed to share dispositive voting and investment power with respect to the shares held by these entities. The Reporting Person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
 - (5) The warrants are immediately exercisable.
 - (6)

Edgar Filing: Otonomy, Inc. - Form 4

The Series C Preferred Stock Warrants automatically converted into Common Stock Warrants on a one to one basis immediately prior to the completion of the Issuer's initial public offering of common stock.

- (7) RiverVest Venture Fund II, L.P. exercised the warrants to purchase 35,785 shares of the Issuer's Common Stock for \$8.79 per share immediately prior to the completion of the Issuer's initial public offering of common stock. RiverVest Venture Fund II, L.P. paid the exercise price on a cashless basis, resulting in the Issuer's withholding of 19,660 of the warrant shares to pay the exercise price and issuing to RiverVest Venture Fund II, L.P. the remaining 16,125 shares. The shares issued pursuant to such exercise remain subject to a 180-day lock-up restriction.

- (8) RiverVest Venture Fund II (Ohio), L.P. exercised the warrants to purchase 9,720 shares of the Issuer's Common Stock for \$8.79 per share immediately prior to the completion of the Issuer's initial public offering of common stock. RiverVest Venture Fund II (Ohio), L.P. paid the exercise price on a cashless basis, resulting in the Issuer's withholding of 5,340 of the warrant shares to pay the exercise price and issuing to RiverVest Venture Fund II (Ohio), L.P. the remaining 4,380 shares. The shares issued pursuant to such exercise remain subject to a 180-day lock-up restriction.

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.