

COMPLETE GENOMICS INC
Form 4
November 16, 2010

FORM 4

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

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 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 *
**HIGHLAND CAPITAL
MANAGEMENT LP**

(Last) (First) (Middle)

**C/O HIGHLAND CAPITAL
MANAGEMENT, 13455 NOEL
ROAD, 8TH FLOOR**

(Street)

DALLAS, TX 75240

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
**COMPLETE GENOMICS INC
[GNOM]**

3. Date of Earliest Transaction
(Month/Day/Year)
11/16/2010

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, par value \$0.001 | 11/16/2010 | | C | | 465,596 | A | (1) | 465,596 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | | C | | 535,696 | A | (4) | 1,001,292 | I | See Footnotes (2) (3) |
| Common Stock, par | 11/16/2010 | | C | | 563,018 | A | (4) | 1,564,310 | I | See Footnotes |

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| | | | | | | | | |
|--|------------|---|---------|---|------------|-----------|---|-----------------------------|
| value \$0.001 | | | | | | | | (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | X | 329,638 | A | \$ 1.5 | 1,893,948 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | F | 54,940 | D | \$ 9 | 1,839,008 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | X | 11,746 | A | \$ 7.56 | 1,850,754 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | F | 9,867 | D | \$ 9 | 1,840,887 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | X | 12,529 | A | \$ 7.56 | 1,853,416 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | F | 10,525 | D | \$ 9 | 1,842,891 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | X | 20,876 | A | \$ 7.56 | 1,863,767 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | F | 17,536 | D | \$ 9 | 1,846,231 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | X | 906 | A | \$ 7.56 | 1,847,137 | I | See Footnotes (2) (3) |
| Common Stock, par value \$0.001 | 11/16/2010 | F | 762 | D | \$ 9 | 1,846,375 | I | See Footnotes (2) (3) |
| Common Stock, par value | 11/16/2010 | C | 362,120 | A | Ⓐ | 362,120 | I | See Footnotes (2) (3) |

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\$0.001

| | | | | | | | | |
|--|------------|---|--------|---|------------|---------|---|---|
| Common Stock, par value \$0.001 | 11/16/2010 | C | 52,969 | A | <u>(4)</u> | 415,089 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
|--|------------|---|--------|---|------------|---------|---|---|

| | | | | | | | | |
|--|------------|---|---------|---|------------|---------|---|---|
| Common Stock, par value \$0.001 | 11/16/2010 | C | 233,402 | A | <u>(4)</u> | 648,491 | I | See Footnotes <u>(2)</u> <u>(3)</u> |
|--|------------|---|---------|---|------------|---------|---|---|

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.

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(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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount of Number of Shares |
| Series C Preferred Stock <u>(1)</u> | <u>(1)</u> | 11/16/2010 | | C | 465,596 | <u>(5)</u> <u>(6)</u> | Common Stock 465,596 |
| Series C Preferred Stock <u>(1)</u> | <u>(1)</u> | 11/16/2010 | | C | 362,120 | <u>(5)</u> <u>(6)</u> | Common Stock 362,120 |
| Series D Preferred Stock <u>(4)</u> | <u>(4)</u> | 11/16/2010 | | C | 535,696 | <u>(5)</u> <u>(6)</u> | Common Stock 535,696 |
| Series D Preferred Stock <u>(4)</u> | <u>(4)</u> | 11/16/2010 | | C | 52,969 | <u>(5)</u> <u>(6)</u> | Common Stock 52,969 |
| Series E Preferred Stock <u>(4)</u> | <u>(4)</u> | 11/16/2010 | | C | 563,018 | <u>(5)</u> <u>(6)</u> | Common Stock 563,018 |
| Series E Preferred Stock <u>(4)</u> | <u>(4)</u> | 11/16/2010 | | C | 233,402 | <u>(5)</u> <u>(6)</u> | Common Stock 233,402 |

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| | | | | | | | | |
|---|---------|------------|---|---------|-----|------------|--------------|---------|
| Warrant to Purchase Common Stock | \$ 1.5 | 11/16/2010 | X | 329,638 | (7) | 08/12/2016 | Common Stock | 329,638 |
| Warrant to Purchase Series D Preferred Stock ⁽⁴⁾ | \$ 7.56 | 11/16/2010 | X | 11,746 | (7) | 02/13/2014 | Common Stock | 11,746 |
| Warrant to Purchase Series D Preferred Stock ⁽⁴⁾ | \$ 7.56 | 11/16/2010 | X | 12,529 | (7) | 04/06/2014 | Common Stock | 12,529 |
| Warrant to Purchase Series D Preferred Stock ⁽⁴⁾ | \$ 7.56 | 11/16/2010 | X | 20,876 | (7) | 06/12/2014 | Common Stock | 20,876 |
| Warrant to Purchase Series D Preferred Stock ⁽⁴⁾ | \$ 7.56 | 11/16/2010 | X | 906 | (7) | 08/05/2014 | Common Stock | 906 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HIGHLAND CAPITAL MANAGEMENT LP C/O HIGHLAND CAPITAL MANAGEMENT 13455 NOEL ROAD, 8TH FLOOR DALLAS, TX 75240 | | X | | |
| Strand Advisors, Inc. 13455 NOEL ROAD SUITE 800 DALLAS, TX 75240 | | X | | |
| DONDERO JAMES D 13455 NOEL ROAD, STE 1300 DALLAS, TX 75240 | | X | | |

Signatures

| | |
|--|------------|
| /s/ James D. Dondero for Highland Capital Management, L.P. | 11/16/2010 |
| **Signature of Reporting Person | Date |
| /s/ James D. Dondero for Strand Advisors, Inc. | 11/16/2010 |
| **Signature of Reporting Person | Date |
| /s/ James D. Dondero | 11/16/2010 |
| **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) Each share of Series C Preferred Stock was automatically converted into common stock immediately prior to the completion of the Issuer's initial public offering. Shares are reported on an "as converted" basis giving effect to the 8.241076 conversion ratio applicable to such shares.

(2) This statement is jointly filed by and on behalf of each of Highland Capital Management, L.P., Strand Advisors, Inc., and James D. Dondero. Highland acts as an investment adviser to, and manages investment and trading accounts of, other persons and may be deemed, through investment advisory contracts or otherwise, to beneficially own securities owned by other persons. Strand Advisors is the general partner of Highland and may be deemed to beneficially own securities owned by Highland. Mr. Dondero is the President and a director of Strand Advisors and may be deemed to beneficially own securities owned by Strand Advisors.

(3) Each reporting person states that neither the filing of this statement nor anything herein shall be deemed an admission that such person is, for purposes of Section 16 of the Act or otherwise, the beneficial owners of any securities covered by this statement. Each reporting person disclaims beneficial ownership of the securities covered by this statement, except to the extent of the pecuniary interest of such person in such securities.

(4) Each share of Series D and Series E Preferred Stock will automatically convert on a 1 for 1 basis into common stock upon the closing of the Issuer's initial public offering.

(5) The securities are immediately convertible.

(6) The expiration date is not relevant to the conversion of these securities.

(7) The warrant is immediately exercisable.

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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