

Otonomy, Inc.
Form 4
August 18, 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 *
Domain Partners VIII, L.P.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

C/O DOMAIN ASSOCIATES, LLC, ONE PALMER SQUARE

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

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

PRINCETON, NJ 08542

(City) (State) (Zip)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/18/2014		C		1,548,792	A	\$ 0 (1)
Common Stock	08/18/2014		M		67,755	A	\$ 8.79
Common Stock	08/18/2014		F		37,224	D	\$ 16
					1,548,792	D (2) (3)	
					1,616,547	D (2) (3)	
					1,579,323	D (2) (3)	

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

SEC 1474 (9-02)

number.

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)	8. Amount or Number of Shares
Series B Preferred Stock	<u>(1)</u>	08/18/2014		C	436,485	<u>(1)</u> <u>(1)</u>	Common Stock	436,485
Series C Preferred Stock	<u>(1)</u>	08/18/2014		C	925,479	<u>(1)</u> <u>(1)</u>	Common Stock	925,479
Series D Preferred Stock	<u>(1)</u>	08/18/2014		F	186,828	<u>(1)</u> <u>(1)</u>	Common Stock	186,828
Series C Preferred Stock Warrant (Right to Buy)	\$ 8.79	08/18/2014		M	67,755	<u>(1)(4)</u> <u>(1)(4)</u>	Common Stock <u>(1)</u> <u>(4)</u>	67,755

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Domain Partners VIII, L.P. C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542		X		
BLAIR JAMES C C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542		X		
DOVEY BRIAN H C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542	X	X		

TREU JESSE I C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542	X
SCHOEMAKER KATHLEEN K C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542	X
VITULLO NICOLE C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542	X
Halak Brian K C/O DOMAIN ASSOCIATES, LLC ONE PALMER SQUARE PRINCETON, NJ 08542	X

Signatures

/s/ Kathleen K. Schoemaker, as Managing Member of One Palmer Square Associates VIII, LLC, the general partner of Domain Partners VIII, L.P., individually and as Attorney-in-Fact for J. Blair, B. Dovey, J. Treu, N. Vitullo and B. Halak

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).
- (1) All outstanding Preferred Stock automatically converted into Common Stock upon the closing of the Issuer's initial public offering for no additional consideration. The Preferred Stock had no expiration date.

The securities reported as directly beneficially owned by the designated Reporting Person may be deemed to be indirectly beneficially owned by each of the Reporting Owners listed below, each of whom is a managing member of One Palmer Square Associates VIII, LLC, the sole general partner of the designated Reporting Person. Pursuant to Instruction 4(b)(iv) of Form 4, each such individual has elected to report as indirectly beneficially owned the entire number of securities owned by the designated Reporting Person, however each of them disclaims beneficial ownership of any securities, and any proceeds thereof, that exceed his or her pecuniary interest therein and/or that are not actually distributed to him or her.
 - (2) As managing members of the sole general partner of DP VIII Associates, L.P., each Reporting Owner listed below may also be deemed to indirectly beneficially own the securities of the Issuer held by DP VIII Associates, L.P., as reported on a Form 4 for DP VIII Associates, L.P. filed on the same date as this Form 4.
 - (3) Indirectly beneficially own the securities of the Issuer held by DP VIII Associates, L.P., as reported on a Form 4 for DP VIII Associates, L.P. filed on the same date as this Form 4.
 - (4) Immediately prior to the closing of the Issuer's initial public offering the Warrants were net exercised for shares of Series C Preferred Stock, which then automatically converted into shares of Common Stock upon closing for no additional consideration.

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.