

KANEKO YASUNORI  
 Form 4  
 February 18, 2011

**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

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**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 \*  
 Skyline Venture Partners Qualified Purchaser Fund IV L P

2. Issuer Name and Ticker or Trading Symbol  
 ACELRX PHARMACEUTICALS INC [ACRX]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/16/2011

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

C/O SKYLINE PARTNERS, 525 UNIVERSITY AVENUE, SUITE 520

(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  
 Form filed by More than One Reporting Person

PALO ALTO, CA 94301

(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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	02/16/2011		C		682,904	A	(1) 682,904	I	See footnote (2)
Common Stock	02/16/2011		C		468,664	A	(3) 1,151,568	I	See footnote (2)
Common Stock	02/16/2011		C		915,798	A	(4) 2,067,366	I	See footnote (2)

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Common Stock	02/16/2011		C	554,685	A	<u>(5)</u>	2,622,051	I	See footnote <u>(2)</u>
Common Stock	02/16/2011		C	29,241	A	<u>(4)</u>	2,651,292	I	See footnote <u>(2)</u>
Common Stock	02/16/2011		P	1,235,943	A	\$ 5	3,877,235	I	See footnote <u>(2)</u>

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 (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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Series A Convertible Preferred Stock	<u>(1)</u>	02/16/2011		C	500,000	<u>(6)</u> <u>(7)</u>	Common Stock	
Series B Convertible Preferred Stock	<u>(3)</u>	02/16/2011		C	312,500	<u>(6)</u> <u>(7)</u>	Common Stock	
Series C Convertible Preferred Stock	<u>(4)</u>	02/16/2011		C	915,798	<u>(6)</u> <u>(7)</u>	Common Stock	
Convertible Promissory Note	<u>(8)</u>	02/16/2011		C	\$ 1,977,503.11	<u>(8)</u> <u>(8)</u>	Common Stock	
Warrant to purchase Series C Convertible Preferred	<u>(9)</u>	02/16/2011		X	125,386	<u>(10)</u> <u>(11)</u>	Series C Preferred Stock	

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Stock								
Series C Convertible Preferred Stock	<u>(9)</u>	02/16/2011	X	125,386		<u>(6)</u>	<u>(7)</u>	Common Stock
Series C Convertible Preferred Stock	\$ 5	02/16/2011	S	98,875 <u>(14)</u>		<u>(6)</u>	<u>(7)</u>	Common Stock
Series C Convertible Preferred Stock	<u>(4)</u>	02/16/2011	C	26,511		<u>(6)</u>	<u>(7)</u>	Common Stock
Warrant to purchase Series C Convertible Preferred Stock	<u>(9)</u>	02/16/2011	J	12,914 <u>(12)</u>		<u>(10)</u>	<u>(11)</u>	Series Preferred Stock
Warrant to purchase Series C Convertible Preferred Stock	<u>(9)</u>	02/16/2011	X	12,914		<u>(10)</u>	<u>(11)</u>	Series Preferred Stock
Series C Convertible Preferred Stock	<u>(9)</u>	02/16/2011	X	12,914		<u>(6)</u>	<u>(7)</u>	Common Stock
Series C Convertible Preferred Stock	\$ 5	02/16/2011	S	10,184 <u>(15)</u>		<u>(6)</u>	<u>(7)</u>	Common Stock
Series C Convertible Preferred Stock	<u>(4)</u>	02/16/2011	C	2,730		<u>(6)</u>	<u>(7)</u>	Common Stock
Convertible Promissory Note	<u>(13)</u>	02/16/2011	J	\$ 203,675.95 <u>(12)</u>		<u>(13)</u>	<u>(13)</u>	Common Stock
Convertible Promissory Note	<u>(13)</u>	02/16/2011	C	\$ 203,675.95		<u>(13)</u>	<u>(13)</u>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Skyline Venture Partners Qualified Purchaser Fund IV L P C/O SKYLINE PARTNERS 525 UNIVERSITY AVENUE, SUITE 520 PALO ALTO, CA 94301		X		
Skyline Venture Management IV, LLC 525 UNIVERSITY AVE. SUITE 520 PALO ALTO, CA 94301		X		
HOFFMAN STEPHEN J ALLOS THERAPEUTICS, INC. 11080 CIRCLEPOINT ROAD, SUITE 200 WESMINSTER, CO 80020	X			
KANEKO YASUNORI 509 ROEHAMPTON HILLS BOROUGH, CA 94010		X		
Freund John Gordon 125 UNIVERSITY AVE. C/O SKYLINE VENTURES PALO ALTO, CA 94301		X		

## Signatures

/s/ Kerensa Kenny,  
Attorney-in-fact

02/18/2011

\*\*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 shares reflect the automatic conversion of 500,000 shares of the Issuer's Series A Convertible Preferred Stock for 682,904 shares of the Issuer's Common Stock immediately prior to the closing of the Issuer's initial public offering.  
  
The shares are held by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. John G. Freund and Yasunori Kaneko are the Managing Members of Skyline Venture Management IV, LLC, which is the general partner of Skyline Venture Partners Qualified Purchaser Fund IV, L.P., and as such Drs. Freund and Kaneko may be deemed to share voting and dispositive power with respect to all shares of Common Stock held by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. Stephen Hoffman, one of the Issuer's directors, is a Managing Director of Skyline Ventures and as such may be deemed to share voting and dispositive power with respect to all shares of Common Stock held by Skyline Venture Partners Qualified Purchasers Fund IV, L.P. Each of Drs. Freund, Kaneko and Hoffman disclaims beneficial ownership of such shares.
  - (2) The shares reflect the automatic conversion of 312,500 shares of the Issuer's Series B Convertible Preferred Stock for 468,664 shares of the Issuer's Common Stock immediately prior to the closing of the Issuer's initial public offering.
  - (3) The shares reflect the automatic conversion of shares of the Issuer's Series C Convertible Preferred Stock into Common Stock on a one-for-one basis upon the closing of the Issuer's initial public offering.
  - (4) Notes and accrued interest in the aggregate of \$2,218,743.81 converted automatically upon the closing of the Issuer's initial public offering into shares of Common Stock at a conversion price of \$4.00, which is 80.0% of the per share price of the Common Stock sold

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in the Issuer's initial public offering.

(6) Immediately convertible into shares of the Issuer's Common Stock.

(7) These shares have no expiration date.

(8) Notes and accrued interest in the aggregate of \$2,011,560.11 converted automatically upon the closing of the Issuer's initial public offering into shares of Common Stock at a conversion price of \$4.00, which is 80.0% of the per share price of the Common Stock sold in the Issuer's initial public offering.

(9) The exercise price is \$3.942 per share.

(10) Immediately exercisable prior to and contingent upon the closing of the Issuer's initial public offering.

(11) Pursuant to its terms, the warrant was to be terminated at the closing of the Issuer's initial public offering. Holder elected to net exercise the warrants immediately prior to the closing of the Issuer's initial public offering. In the event the Issuer's public offering did not occur, the warrant would have terminated on September 14, 2017, unless earlier terminated in accordance with its terms, in a liquidation or change of control transaction.

(12) Pursuant to that certain Note and Warrant Transfer Agreement dated February 16, 2011, ACP IV, L.P. transferred (i) a convertible promissory note in the amount of \$207,183.70 including accrued interest and (ii) an associated warrant to purchase preferred stock of the Issuer, exercisable into 12,914 shares of Series C Convertible Preferred Stock to Skyline Venture Partners Qualified Purchaser Fund IV, L.P., for a nominal consideration, contingent upon the closing of the Issuer's initial public offering.

(13) A note with the principal amount plus accrued interest of \$207,183.70 converted automatically upon the closing of the Issuer's initial public offering into shares of Common Stock at a conversion price of \$4.00, which is 80.0% of the per share price of the Common Stock sold in the Issuer's initial public offering.

(14) These shares represent the net exercise of a warrant to purchase Series C Convertible Preferred Stock for an acquisition of 26,511 shares of Series C Convertible Preferred Stock of the Issuer.

(15) These shares represent the net exercise of a warrant to purchase Series C Convertible Preferred Stock for an acquisition of 2,730 shares of Series C Convertible Preferred Stock of the Issuer.

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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