

Otonomy, Inc.
 Form 3
 August 12, 2014

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â TPG Group Holdings (SBS) Advisors, Inc.		(Month/Day/Year)	Otonomy, Inc. [OTIC]	
(Last)	(First)	08/12/2014		
			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
C/O TPG GLOBAL, LLC,Â 301 COMMERCE STREET, SUITE 3300			(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input checked="" type="checkbox"/> 10% Owner
			<input type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
FORT WORTH,Â TXÂ 76102			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<input type="checkbox"/> Form filed by One Reporting Person	
			<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Series B Preferred Stock	Â (5)	Â (5)	Common Stock	439,724	\$ (5)	I	See Explanation of Responses (1) (2) (3) (4) (5)
Series C Preferred Stock	Â (5)	Â (5)	Common Stock	1,131,436	\$ (5)	I	See Explanation of Responses (1) (2) (3) (4) (5)
Series D Preferred Stock	Â (5)	Â (5)	Common Stock	348,041	\$ (5)	I	See Explanation of Responses (1) (2) (3) (4) (5)
Warrant to Purchase Shares of Preferred Stock	Â (6)	Â (6)	Series C Preferred Stock	68,259	\$ (6)	I	See Explanation of Responses (1) (2) (3) (4) (6)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TPG Group Holdings (SBS) Advisors, Inc. C/O TPG GLOBAL, LLC 301 COMMERCE STREET, SUITE 3300 FORT WORTH, TX 76102	Â	Â X	Â	Â
BONDERMAN DAVID C/O TPG GLOBAL, LLC 301 COMMERCE STREET, SUITE 3300 FORT WORTH, TX 76102	Â	Â X	Â	Â
COULTER JAMES G C/O TPG GLOBAL, LLC 301 COMMERCE STREET, SUITE 3300 FORT WORTH, TX 76102	Â	Â X	Â	Â

Signatures

By: Ronald Cami, Vice President, TPG Group Holdings (SBS) Advisors, Inc. (7)	08/12/2014
**Signature of Reporting Person	Date
By: Ronald Cami on behalf of David Bonderman (7)(8)	08/12/2014
**Signature of Reporting Person	Date
By: Ronald Cami on behalf of James G. Coulter (7)(8)	08/12/2014
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).

David Bonderman and James G. Coulter are officers and sole shareholders of TPG Group Holdings (SBS) Advisors, Inc. ("Group Advisors" and, together with Messrs. Bonderman and Coulter, the "Reporting Persons"), which is the general partner of TPG Group Holdings (SBS), L.P., which is the sole member of TPG Holdings I-A, LLC, which is the general partner of TPG Holdings I, L.P., which is the sole member of TPG Biotechnology GenPar III Advisors, LLC, which is the general partner of TPG Biotechnology GenPar III, L.P., which is the general partner of TPG Biotechnology Partners III, L.P. ("TPG Biotech III").

TPG Biotech III directly holds (i) 439,724 shares of Series B Preferred Stock (the "Series B Preferred") of Otonomy, Inc. (the "Issuer"), (ii) 1,131,436 shares of Series C Preferred Stock (the "Series C Preferred") of the Issuer, (iii) 348,041 shares of Series D Preferred Stock (the "Series D Preferred" and, together with the Series B Preferred and the Series C Preferred, the "Preferred Stock") of the Issuer, (iv) a warrant (the "August 2012 Warrant") to purchase 36,405 shares of Series C Preferred, and (v) a warrant (the "January 2013 Warrant" and, together with the August 2012 Warrant, the "Warrants") to purchase 31,854 shares of Series C Preferred.

Because of the relationship between the Reporting Persons and TPG Biotech III, the Reporting Persons may be deemed to beneficially own the securities reported herein to the extent of the greater of their respective direct or indirect pecuniary interests in the profits or capital accounts of TPG Biotech III. Each of TPG Biotech III and each Reporting Person disclaims beneficial ownership of the securities reported herein, except to the extent of TPG Biotech III's or such Reporting Person's pecuniary interest therein, if any.

Pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), this filing shall not be deemed an admission that the Reporting Persons are, for purposes of Section 16 of the Exchange Act or otherwise, the beneficial owners of any equity securities in excess of their respective pecuniary interests.

Pursuant to the Fifth Amended and Restated Certificate of Incorporation of the Issuer, as amended, the shares of Preferred Stock are convertible, at the option of the holder, at any time into shares of Common Stock, par value \$0.001 per share, of the Issuer, at conversion rates in each case equal to one share of Common Stock per share of Preferred Stock.

Each Warrant may be exercised by the holder at any time on or after the conversion of a note (the "Note") issued by the Issuer pursuant to a note and warrant purchase agreement, dated as of August 23, 2012, and expires as of the earlier of (i) in the case of the August 2012 Warrant, August 23, 2022 and, in the case of the January 2013 Warrant, January 22, 2023, (ii) the occurrence of certain change of control events and (iii) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement. Following certain adjustments in accordance with their terms, the Warrants currently have an exercise price of \$8.79 per share of Series C Preferred.

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Remarks:

(7)Â TheÂ ReportingÂ PersonsÂ areÂ jointlyÂ filingÂ thisÂ FormÂ 3Â pursuantÂ toÂ RuleÂ 16a-3(j)Â underÂ theÂ Excha

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.