

DERMA SCIENCES, INC.  
Form SC 13D/A  
March 20, 2015

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

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. 1)1

Derma Sciences, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share  
(Title of Class of Securities)

249827502

(CUSIP Number)

KEVIN KOTLER  
BROADFIN CAPITAL, LLC  
300 Park Avenue, 25th Floor  
New York, New York 10022  
(310) 246-0345

STEVE WOLOSKY, ESQ.  
OLSHAN FROME WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

March 19, 2015

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box x.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

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1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

2

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CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE MASTER FUND, LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,130,477

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.3%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE FUND, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
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14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE OFFSHORE FUND, LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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CAYMAN ISLANDS

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14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN ADVISORS, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN CAPITAL, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

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4 SOURCE OF FUNDS

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14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

KEVIN KOTLER

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
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		- 0 -
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8.3%

14 TYPE OF REPORTING PERSON

IN



CUSIP NO. 249827502

The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned (“Amendment No. 1”). This Amendment No. 1 amends the Schedule 13D as specifically set forth herein.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On March 19, 2015, Broadfin Capital and certain of its affiliates (“Broadfin”) entered into a letter agreement (the “Settlement Agreement”) with the Issuer. Pursuant to the Settlement Agreement, the Issuer agreed to nominate Samuel E. Navarro for election to the Issuer’s Board of Directors (the “Board”) at the 2015 annual meeting of the stockholders (the “2015 Annual Meeting”), and not to nominate C. Richard Stafford, a current member of the Board, for election. Furthermore, the Issuer granted Broadfin the right to designate a replacement candidate for Mr. Navarro in the event Mr. Navarro is unable, or at any time ceases, to serve as a director of the Issuer, for so long as Broadfin owns at least 5% of the outstanding Shares of the Issuer. The Issuer also agreed to entered into a Consulting Agreement with Jason M. Aryeh for various strategic consulting services in order to increase stockholder value.

Broadfin agreed, amongst other things, not to engage in proxy solicitation activities with respect to the 2015 Annual Meeting and to cause all of its Shares to be voted in favor of the director candidates nominated by the Board for election at the 2015 Annual Meeting.

The foregoing description of the Settlement Agreement is qualified in its entirety by reference to the Settlement Agreement, which is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

On March 19, 2015, Broadfin and the Issuer entered into the Settlement Agreement as defined and described in Item 4 above and attached as Exhibit 99.1 hereto.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibit:

99.1 Settlement Agreement by and among Broadfin Healthcare Master Fund, Ltd., Broadfin Healthcare Fund, L.P., Broadfin Healthcare Offshore Fund, Ltd, Broadfin Advisors, LLC, Broadfin Capital, LLC, Kevin Kotler and the Issuer, dated March 19, 2015.

CUSIP NO. 249827502

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 20, 2015

BROADFIN HEALTHCARE MASTER FUND, LTD.

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Director

BROADFIN HEALTHCARE FUND, L.P.

By: Broadfin Advisors, LLC  
General Partner

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

BROADFIN HEALTHCARE OFFSHORE FUND, LTD

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Director

BROADFIN ADVISORS, LLC

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

BROADFIN CAPITAL, LLC

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

/s/ Kevin Kotler  
KEVIN KOTLER



