

ALIMERA SCIENCES INC
Form 4
October 01, 2014

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 *
Lee Patrick

(Last) (First) (Middle)
470 UNIVERSITY AVENUE
(Street)
PALO ALTO, CA 94301

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ALIMERA SCIENCES INC [ALIM]

3. Date of Earliest Transaction
(Month/Day/Year)
09/29/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 | 09/29/2014 | 10/02/2014 | S | | 240,662 (1) (2) (3) | D | \$ 5.466 3,394,322 | I | See Footnotes (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) |
| Common Stock | 09/30/2014 | 10/03/2014 | S | | 348,962 | D | \$ 5.4162 3,045,360 | I | See Footnotes (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) |
| Common Stock | 09/30/2014 | 10/03/2014 | S | | 4,100 | D | \$ 5.4288 3,041,260 | I | See Footnotes |

| | | | | | | | | | (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) |
|--------------|------------|------------|---|--------|---|-----------|-----------|---|--|
| Common Stock | 09/30/2014 | 10/03/2014 | S | 1,000 | D | \$ 5.5 | 3,040,260 | I | See Footnotes (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) |
| Common Stock | 10/01/2014 | 10/06/2014 | S | 26,467 | D | \$ 5.1641 | 3,013,793 | I | See Footnotes (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Lee Patrick 470 UNIVERSITY AVENUE PALO ALTO, CA 94301 | | X | | |

Signatures

/s/ Patrick Lee

10/01/2014

**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) Palo Alto Investors, LLC ("PAI LLC") is the General Partner of Micro Cap Partners, L.P. ("Micro Cap"), Palo Alto Healthcare Master Fund, L.P. ("Healthcare Master"), Palo Alto Healthcare Master Fund II, L.P. ("Healthcare Master II"), Palo Alto Healthcare Fund L.P. ("Healthcare LP"), Palo Alto Healthcare Fund II L.P. ("Healthcare II LP") and Palo Alto Micro Cap Liquidating Fund, L.P. ("Liquidating Fund").

(2) Patrick Lee, M.D. is the co-managing member of PAI LLC.

Dr. Lee may be deemed to beneficially own the Common Stock, Series A Convertible Preferred Stock and Warrants owned directly by Micro Cap, Healthcare Master, Healthcare Master II and Liquidating Fund, and beneficially owned indirectly by Healthcare LP and Healthcare II LP. Dr Lee disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.

(3) Reported holdings include the following held directly by Micro Cap, Healthcare Master, Healthcare Master II and Liquidating Fund: Micro Cap - 129,000 shares of Common Stock, 323,308 shares of Common Stock acquirable immediately upon conversion of 21,500 shares of Series A Convertible Preferred Stock, and an exercisable Warrant for 6,450 shares of Series A Convertible Preferred Stock, which could be immediately converted into 96,992 shares of Common Stock; [To be continued in Footnote (4)]

(4) Healthcare Master -- 1,216,563 shares of Common Stock, 3,476,691 shares of Common Stock acquirable immediately upon conversion of 231,200 shares of the Series A Convertible Preferred Stock, and an exercisable Warrant for 69,360 shares of Series A Convertible Preferred Stock, which could be immediately converted into 1,043,007 shares of Common Stock; Healthcare Master II -- 1,668,230 shares of Common Stock, 5,222,556 shares of Common Stock acquirable immediately upon conversion of 347,300 shares of the Series A Convertible Preferred Stock, and an exercisable Warrant for 104,190 shares of Series A Convertible Preferred Stock, which could be immediately converted into 1,566,776 shares of Common Stock. [To be continued in Footnote (5)]

(5) Healthcare LP owns 87.52% of the limited partnership interests in Healthcare Master. Healthcare II LP owns 72.80% of the limited partnership interests in Healthcare Master II.

(6) The conversion price of Series A Convertible Preferred Stock into common stock is \$2.66.

(7) The amount or number of shares reported herein reflects the amount or number of shares of Series A Convertible Preferred Stock that may be acquired at an exercise price of \$44 per share. Additionally, at the election of the holder, the Warrants provide for the option to purchase shares of Common Stock at an exercise price of \$44 divided by the number of shares of Common Stock then issued or issuable upon conversion of one share of Series A Convertible Preferred Stock. [To be continued in Footnote (8)]

If the holder elects to exercise the Warrant to purchase Common Stock, it would be entitled to purchase up to the number of shares of Common Stock as would be issuable upon conversion of the shares of Series A Convertible Preferred Stock subject to the Warrant.

(8) Accordingly, whether the holder elects to exercise its option to purchase Series A Convertible Preferred Stock or Common Stock pursuant to the Warrant, neither the number of shares of Common Stock ultimately acquirable nor the percentage ownership in Alimera Sciences, Inc. would be impacted.

(9) Series A Convertible Preferred Stock does not have an expiration date.

(10) Warrant to purchase Series A Convertible Preferred Stock or Common Stock (right to buy) expires October, 2017.

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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