

AQUINOX PHARMACEUTICALS, INC
Form SC 13D/A
January 20, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 4)

Aquinox Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, par value \$0.000001 per share

(Title of Class of Securities)

03842B101

(CUSIP number)

Alexandra A. Toohey

Chief Financial Officer

Baker Bros. Advisors LP

Edgar Filing: AQUINOX PHARMACEUTICALS, INC - Form SC 13D/A

N67 Madison Avenue, 21st Floor

New York, NY 10065

(212) 339-5690

(Name, address and telephone number of person authorized to receive notices and communications)

January 20, 2016

(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 Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

(Continued on the following pages)

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*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).

CUSIP No. 03842B101 Page 2 of 9 Pages

NAMES OF REPORTING PERSONS

1.

Baker Bros. Advisors LP

2.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3.

SEC USE ONLY

4.

SOURCE OF FUNDS*

OO

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

7. SOLE VOTING POWER: 7,140,034

NUMBER
OF SHARES
BENEFICIALLY
OWNED
BY EACH
REPORTING
PERSON
WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 7,140,034

10. SHARED DISPOSITIVE POWER: 0

11. AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING PERSON:
7,140,034

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

13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)
41.5%(1)

14. TYPE OF REPORTING PERSON (See
Instructions)

IA, PN

(1) Based on 17,211,986 shares of common stock outstanding as of December 18, 2015, as reported in the Issuer's Form S-3 filed with the SEC on December 21, 2015.

CUSIP No. 03842B101 Page 3 of 9 Pages

NAMES OF REPORTING PERSONS

1.

Baker Bros. Advisors (GP) LLC

2.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3.

SEC USE ONLY

4.

SOURCE OF FUNDS*

OO

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

7. SOLE VOTING POWER: 7,140,034

NUMBER
OF SHARES
BENEFICIALLY
OWNED
BY EACH
REPORTING
PERSON
WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 7,140,034

10. SHARED DISPOSITIVE POWER: 0

11. AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING PERSON:
7,140,034

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

13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)
41.5%(1)

14. TYPE OF REPORTING PERSON (See
Instructions)

HC, OO

(1) Based on 17,211,986 shares of common stock outstanding as of December 18, 2015, as reported in the Issuer's Form S-3 filed with the SEC on December 21, 2015.

CUSIP No. 03842B101 Page 4 of 9 Pages

NAMES OF REPORTING PERSONS

1.

Julian C. Baker

2.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3.

SEC USE ONLY

4.

SOURCE OF FUNDS*

OO

5.

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

6.

CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER: 7,142,294

NUMBER
OF SHARES
BENEFICIALLY
OWNED
BY EACH
REPORTING
PERSON
WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 7,142,294

10. SHARED DISPOSITIVE POWER: 0

11. AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING PERSON:
7,142,294

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

13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)
41.5%(1)

14. TYPE OF REPORTING PERSON (See
Instructions)

IN, HC

(1) Based on 17,211,986 shares of common stock outstanding as of December 18, 2015, as reported in the Issuer's Form S-3 filed with the SEC on December 21, 2015.

CUSIP No. 03842B101 Page 5 of 9 Pages

NAMES OF REPORTING PERSONS

1.

Felix J. Baker

2.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3.

SEC USE ONLY

4.

SOURCE OF FUNDS*

OO

5.

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

6.

CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7. SOLE VOTING POWER: 7,142,294

NUMBER
OF SHARES
BENEFICIALLY
OWNED
BY EACH
REPORTING
PERSON
WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 7,142,294

10. SHARED DISPOSITIVE POWER: 0

11. AGGREGATE AMOUNT BENEFICIALLY
OWNED BY EACH REPORTING PERSON:
7,142,294

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

13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)
41.5%(1)

14. TYPE OF REPORTING PERSON (See
Instructions)

IN, HC

(1) Based on 17,211,986 shares of common stock outstanding as of December 18, 2015, as reported in the Issuer's Form S-3 filed with the SEC on December 21, 2015.

Amendment No. 4 to Schedule 13D

This Amendment No. 4 to Schedule 13D amends and supplements the previously filed Schedule 13D filed by Baker Bros. Advisors LP (the “Adviser”), Baker Bros. Advisors (GP) LLC (the “Adviser GP”), Julian C. Baker and Felix J. Baker (collectively the “Reporting Persons”). Except as supplemented herein, such statements, as heretofore amended and supplemented, remain in full force and effect. Information given in response to each item shall be deemed incorporated by reference in all other items, as applicable. Each capitalized term used but not defined herein has the meaning ascribed to such term in the Schedule 13D, as amended.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 of Schedule 13D is supplemented as follows:

The disclosure regarding purchases in Item 5(c) below is incorporated herein by reference.

Item 4. Purpose of the Transaction.

Item 4 of Schedule 13D is supplemented and superseded, as the case may be, as follows:

This Amendment No. 4 is being filed to report the acquisition of shares of the Issuer’s Common Stock reported in Item 5(c) that resulted in a more than 1 percent change in beneficial ownership. The disclosure regarding the purchases in Item 5(c) below is incorporated herein by reference.

667, L.P. and Baker Brothers Life Sciences, L.P. (collectively the “Funds”) hold securities of the Issuer for passive investment purposes. The Reporting Persons or their affiliates have had and may continue to have discussions with management of the Issuer regarding financing. The Reporting Persons may acquire additional securities of the Issuer, including shares of Common Stock, in such financings or by means of open market purchases, privately negotiated purchases, or otherwise. The Reporting Persons or their affiliates may purchase additional securities or dispose of securities in varying amounts and at varying times depending upon the Reporting Persons’ continuing assessments of pertinent factors, including the availability of shares of Common Stock or other securities for purchase at particular price levels, the business prospects of the Issuer, other business investment opportunities, economic conditions, stock

market conditions, money market conditions, the attitudes and actions of the board of directors and management of the Issuer, the availability and nature of opportunities to dispose of shares of the Issuer and other plans and requirements of the particular entities. Depending upon their assessments of the above factors, the Reporting Persons or their affiliates may change their present intentions as stated above. The Reporting Persons may discuss items of mutual interest with the Issuer, which could include items in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Except as otherwise disclosed herein, at the present time, the Reporting Persons do not have any plans or proposals with respect to any extraordinary corporate transaction involving the Issuer including, without limitation, those matters described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Item 5 of this Schedule 13D is hereby amended and restated in its entirety as follows:

(a) and (b) Items 7 through 11 and 13 of each of the cover pages of this Amendment No. 4 are incorporated herein by reference. Set forth below is the aggregate number and percentage of shares of Common Stock directly held, as of the date hereof, by each of the following based upon 17,211,986 shares of Common Stock outstanding as of December 18, 2015, as reported in the Issuer's Form S-3 filed with the SEC on December 21, 2015. Such percentage figures were calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.

<u>Holder</u>	<u>Number of Shares</u>	<u>Percentage of Class Outstanding</u>
667, L.P.	764,093	4.4%
Baker Brothers Life Sciences, L.P.	6,375,941	37.1%

Pursuant to management agreements, as amended, among the Adviser, the Funds, and their respective general partners, the Adviser has complete and unlimited discretion and authority with respect to the Funds' investments and voting power over investments.

The Adviser GP, Felix J. Baker and Julian C. Baker as principals of the Adviser GP, and the Adviser may be deemed to be beneficial owners of securities of the Issuer directly held by the Funds, and may be deemed to have the power to vote or direct the vote of and the power to dispose or direct the disposition of such securities.

The Reporting Persons disclaim beneficial ownership of the securities of the Issuer held by each of the Funds, and this Amendment No. 4 shall not be deemed an admission that the Reporting Persons are the beneficial owners of such securities for purposes of Section 13(d) or for any other purpose, except to the extent that any such Reporting Persons actually exercises voting or dispositive power with respect to such securities.

(c) The following transactions in the Issuer's Common Stock were effected by the Funds noted below during the two days preceding the filing of this statement using working capital of the applicable purchasing Fund. All purchase transactions were effected in the open market directly with a broker-dealer. Except as disclosed herein or in any previous amendments to this Schedule 13D, none of the Reporting Persons or their affiliates has effected any other transactions in securities of the Issuer during the past 60 days.

Name	Date	Number of Shares	Transaction Price/ Share	Footnotes
667, L.P.	1/19/2016	5,029	Purchase	9.07571
Baker Brothers Life Sciences, L.P.	1/19/2016	45,903	Purchase	9.07571
667, L.P.	1/19/2016	1,109	Purchase	9.21492
Baker Brothers Life Sciences, L.P.	1/19/2016	10,123	Purchase	9.21492
667, L.P.	1/19/2016	1,568	Purchase	9.15373
Baker Brothers Life Sciences, L.P.	1/19/2016	14,313	Purchase	9.15373
667, L.P.	1/20/2016	6,294	Purchase	9.88524
Baker Brothers Life Sciences, L.P.	1/20/2016	57,453	Purchase	9.88524
667, L.P.	1/20/2016	1,511	Purchase	8.95595
Baker Brothers Life Sciences, L.P.	1/20/2016	13,789	Purchase	8.95595
667, L.P.	1/20/2016	3,067	Purchase	8.95726
Baker Brothers Life Sciences, L.P.	1/20/2016	27,996	Purchase	8.95726

Edgar Filing: AQUINOX PHARMACEUTICALS, INC - Form SC 13D/A

667, L.P.	1/20/2016	190 Purchase	8.9000
Baker Brothers Life Sciences, L.P.	1/20/2016	1,734 Purchase	8.9000

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging from \$8.89 to \$9.25. The Reporting Persons undertake to provide the staff of the Securities and Exchange Commission (the "Staff"), upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging from \$9.13 to \$9.25. The Reporting Persons undertake to provide the Staff, upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging from \$9.01 to \$9.41. The Reporting Persons undertake to provide the Staff, upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging (4) from \$9.03 to \$10.00. The Reporting Persons undertake to provide the Staff, upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging (5) from \$8.95 to \$9.05. The Reporting Persons undertake to provide the Staff, upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

The reported price is a weighted average price. These shares were traded in multiple transactions at prices ranging (6) from \$8.91 to \$9.00. The Reporting Persons undertake to provide the Staff, upon request, full information regarding the number of shares traded at each separate price within the ranges set forth in this footnote.

(d) Certain securities of the Issuer are held directly by 667, L.P., a limited partnership the sole general partner of which is Baker Biotech Capital, L.P., a limited partnership the sole general partner of which is Baker Biotech Capital (GP), LLC. Julian C. Baker and Felix J. Baker are the controlling members of Baker Biotech Capital (GP), LLC.

Certain securities of the Issuer are held directly by Baker Brothers Life Sciences, L.P., a limited partnership the sole general partner of which is Baker Brothers Life Sciences Capital, L.P., a limited partnership the sole general partner of which is Baker Brothers Life Sciences Capital (GP), LLC. Julian C. Baker and Felix J. Baker are the controlling members of Baker Brothers Life Sciences Capital (GP), LLC.

(e) Not applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 20, 2016

**BAKER BROS.
ADVISORS LP**

By: Baker Bros. Advisors
(GP) LLC, its general
partner

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

**BAKER BROS.
ADVISORS (GP) LLC**

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

/s/ Julian C. Baker
Julian C. Baker

/s/ Felix J. Baker
Felix J. Baker

