

MARTIN WILLIAM C  
Form 4  
June 28, 2011

**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 \*  
MARTIN WILLIAM C

(Last) (First) (Middle)

254 WITHERSPOON STREET

(Street)

PRINCETON, NJ 08542

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
DERMA SCIENCES, INC. [DSCI]

3. Date of Earliest Transaction (Month/Day/Year)  
06/24/2011

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)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock, par value \$0.01	06/24/2011		P		165,861	A	569,408	By Raging Capital Fund (QP), LP (2)
Common Stock, par value \$0.01	06/24/2011		P		88,684	A	470,570	By Raging Capital Fund, LP (3)
Common Stock, par value \$0.01							1,500	D (1)

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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. Amount or Number of Shares
Warrants (right to buy)	\$ 9.9	06/24/2011		P	82,930	<sup>(4)</sup> 06/24/2016	Common Stock	82,930
Warrants (right to buy)	\$ 9.9	06/24/2011		P	44,342	<sup>(4)</sup> 06/24/2016	Common Stock	44,342

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARTIN WILLIAM C 254 WITHERSPOON STREET PRINCETON, NJ 08542		X		
Raging Capital Management, LLC 254 WITHERSPOON STREET PRINCETON, NJ 08542		X		
Raging Capital Fund, LP 254 WITHERSPOON STREET PRINCETON, NJ 08542				See explanation of responses
Raging Capital Fund (QP), LP 254 WITHERSPOON STREET				See explanation of responses

PRINCETON, NJ 08542

## Signatures

By: /s/ William C. Martin	06/28/2011
__Signature of Reporting Person	Date
By: Raging Capital Management, LLC, By: /s/ William C. Martin, Managing Member	06/28/2011
__Signature of Reporting Person	Date
By: Raging Capital Fund, LP, By: Raging Capital Management, LLC, General Partner, By: /s/ William C. Martin, Managing Member	06/28/2011
__Signature of Reporting Person	Date
By: Raging Capital Fund (QP), LP, By: Raging Capital Management, LLC, General Partner, By: /s/ William C. Martin, Managing Member	06/28/2011
__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).  
 This Form 4 is filed jointly by Raging Capital Fund, LP ("Raging Capital Fund"), Raging Capital Fund (QP), LP ("Raging Capital Fund QP"), Raging Capital Management, LLC ("Raging Capital") and William C. Martin (collectively, the "Reporting Persons"). Each of the
  - (1) Reporting Persons may be deemed to be a member of a Section 13(d) group that collectively owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial ownership of the shares of Common Stock reported herein except to the extent of his or its pecuniary interest therein.
  - (2) Represents securities owned directly by Raging Capital Fund QP. As the general partner of Raging Capital Fund QP, Raging Capital may be deemed to beneficially own the securities owned directly by Raging Capital Fund QP. As the managing member of Raging Capital, Mr. Martin may be deemed to beneficially own the securities owned directly by Raging Capital Fund QP.
  - (3) Represents securities owned directly by Raging Capital Fund. As the general partner of Raging Capital Fund, Raging Capital may be deemed to beneficially own the securities owned directly by Raging Capital Fund. As the managing member of Raging Capital, Mr. Martin may be deemed to beneficially own the securities owned directly by Raging Capital Fund.
  - (4) The Warrants are currently exercisable.
  - (5) The reported securities were included within 165,861 Units purchased by Raging Capital Fund QP for \$8.25 per Unit.
  - (6) The reported securities were included within 88,684 Units purchased by Raging Capital Fund for \$8.25 per Unit.

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.