

DERMA SCIENCES, INC.

Form 4

May 11, 2007

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GALEN EMPLOYEE FUND III LP

(Last) (First) (Middle)

610 FIFTH AVENUE 5TH FLOOR

(Street)

NEW YORK, NY 10020

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/05/2007

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_ Officer (give title \_\_\_\_X\_\_\_\_ Other (specify  
below) below)

See footnote (1)

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 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/05/2007		J <sup>(2)</sup>	1,318 A	\$ 0.7797 <sup>(2)</sup>	6,053	D

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

**Persons who respond to the collection of  
information contained in this form are not  
required to respond unless the form  
displays a currently valid OMB control  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

## Edgar Filing: DERMA SCIENCES, INC. - Form 4

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 Deriva Securit (Instr. 3)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Warrant (right to buy) <sup>(1)</sup>	\$ 0.57	01/05/2007		X	4,900	<u>(2)</u>	<u>(2)</u>	Common Stock	1,318	<u>(2)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
GALEN EMPLOYEE FUND III LP 610 FIFTH AVENUE 5TH FLOOR NEW YORK, NY 10020	See footnote (1)

## Signatures

/s/ Bruce F.  
Wesson 05/09/2007

                     \*\*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) Affiliated entities hold in the aggregate in excess of 10% of the Issuer's shares.
- (2) Warrants were exercised for shares of Common Stock pursuant to a cashless exercise feature. The cashless exercise price of \$0.7797 was determined by the 30-day trailing average closing price of the Issuer's common stock.

### Remarks:

Galen Employee Fund III, L.P.  
By: Wesson Enterprises, Inc.

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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