

Cox Russell J.  
Form 4  
January 14, 2019

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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 \*  
Cox Russell J.

(Last) (First) (Middle)

C/O VITAL THERAPIES,  
INC., 15222-B AVENUE OF  
SCIENCE

(Street)

SAN DIEGO, CA 92128

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
VITAL THERAPIES INC [VTL]

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/11/2019

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 below)  Other (specify below)  
Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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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)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date	7. Title and Underlying
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D)		(Month/Day/Year)		(Instr. 3 and 5)
				Code V	(A)	(D)	Date Exercisable	
Stock Option (right to buy)	\$ 6.3	01/11/2019	D		1,588,832	(1)	01/02/2028	Common Stock
Restricted Stock Units	(3)	01/11/2019	A		1,854,376	(4)	(4)	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Cox Russell J. C/O VITAL THERAPIES, INC. 15222-B AVENUE OF SCIENCE SAN DIEGO, CA 92128	X		Chief Executive Officer	

## Signatures

/s/ Michael V. Swanson, as  
Attorney-in-Fact

01/14/2019

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) Twenty five (25%) of the shares of common stock subject to the option vested on January 3, 2019, and thereafter, one forty-eighth (1/48th) of the shares of common stock subject to the option shall vest monthly, such that all of the shares of common stock subject to the option are vested by January 3, 2022, subject to the reporting person's continuing to be a Service Provider (as defined in the Amended & Restated 2017 Inducement Equity Incentive Plan (the "Plan")) through each vesting date; provided, that, the unvested portion of the option, if any, that would vest during the 12-month period following his termination date had he remained employed by the Issuer through such date shall vest in the event of a termination without cause following a Change in Control (as defined in the Plan).
  - (2) The option was cancelled by mutual agreement of the reporting person and Vital Therapies, Inc. The reporting person received a restricted stock unit award as reported in this Form 4 as consideration for this cancellation.
  - (3) Each restricted stock unit ("RSU") represents a contingent right to receive one share of Vital Therapies, Inc. Common Stock.
  - (4) Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan), twenty five percent (25%) of the RSUs vest annually after the vesting commencement date of January 11, 2019. One hundred percent (100%) of the unvested portion of the RSUs, if any, shall vest in the event of a Termination without Cause or Resignation for Good Reason (each as defined in the reporting person's Change of Control and Severance Agreement).

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.