

DERMA SCIENCES, INC.  
Form SC 13D  
March 18, 2015

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

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. )1

Derma Sciences, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share  
(Title of Class of Securities)

249827502  
(CUSIP Number)

KEVIN KOTLER  
BROADFIN CAPITAL, LLC  
300 Park Avenue, 25th Floor  
New York, New York 10022  
(310) 246-0345

STEVE WOLOSKY, ESQ.  
OLSHAN FROME WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

March 17, 2015  
(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 §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box x.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

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1 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).

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CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE MASTER FUND, LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,130,477

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.3%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE FUND, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

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8.3%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN HEALTHCARE OFFSHORE FUND, LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

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8.3%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN ADVISORS, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
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		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

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8.3%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

BROADFIN CAPITAL, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		2,130,477
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		2,130,477
	10	SHARED DISPOSITIVE POWER

- 0 -

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2,130,477

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.3%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 249827502

1 NAME OF REPORTING PERSON

KEVIN KOTLER

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  2,130,477
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  2,130,477
	10	SHARED DISPOSITIVE POWER  - 0 -

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.3%

14 TYPE OF REPORTING PERSON

IN



CUSIP NO. 249827502

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

Item 1. Security and Issuer.

This statement relates to shares of the Common Stock, par value \$0.01 per share (the "Shares"), of Derma Sciences, Inc., a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 214 Carnegie Center, Suite 300, Princeton, New Jersey, 08540.

Item 2. Identity and Background.

(a) This statement is filed by:

- (i) Broadfin Healthcare Master Fund, Ltd., a Cayman Islands exempted company ("Broadfin Master");
- (ii) Broadfin Healthcare Fund, L.P., a Delaware limited partnership ("Broadfin LP"), which serves as a feeder fund of Broadfin Master;
- (iii) Broadfin Healthcare Offshore Fund, Ltd, a Cayman Islands exempted company ("Broadfin Offshore"), which serves as a feeder fund of Broadfin Master;
- (iv) Broadfin Advisors, LLC, a Delaware limited liability company ("Broadfin Advisors"), which serves as the general partner of Broadfin LP;
- (v) Broadfin Capital, LLC, a Delaware limited liability company ("Broadfin Capital"), which serves as the investment manager of each of Broadfin Master, Broadfin LP and Broadfin Offshore; and
- (vi) Kevin Kotler, who serves as the managing member of each of Broadfin Capital and Broadfin Advisors.

Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons." Each of the Reporting Persons is party to the Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The address of the principal office of each of Broadfin Master and Broadfin Offshore is 20 Genesis Close, Ansbacher House, Second Floor, P.O. Box 1344, Grand Cayman KY1-1108, Cayman Islands. The address of the principal office of each of Broadfin LP, Broadfin Advisors, Broadfin Capital and Mr. Kotler is 300 Park Avenue, 25th Floor, New York, New York 10022. The officers and directors of each of Broadfin Master and Broadfin Offshore and their principal occupations and business addresses are set forth on Schedule A and are incorporated by reference in this Item 2.

(c) The principal business of Broadfin Master is purchasing, holding and selling securities for investment purposes. Each of Broadfin LP and Broadfin Offshore serve as a feeder fund of Broadfin Master. The principal business of Broadfin Advisors is serving as the general partner of Broadfin LP. The principal business of Broadfin Capital is serving as the investment manager of each of Broadfin Master, Broadfin LP and Broadfin Offshore. The principal occupation of Mr. Kotler is serving as the managing member of each of Broadfin Capital and Broadfin Advisors.



CUSIP NO. 249827502

(d) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Kotler is a citizen of the United States of America. The citizenship of the persons listed on Schedule A is set forth therein.

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

The Shares owned by Broadfin Master were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule B, which is incorporated by reference herein. The aggregate purchase price of the 2,130,477 Shares owned by Broadfin Master is approximately \$22,455,228, excluding brokerage commissions.

Item 4. Purpose of Transaction.

The Reporting Persons have recently engaged, and intend to continue to engage, in discussions with the Issuer's management and board of directors (the "Board") regarding the composition of the Board, generally, and means to enhance stockholder value.

The Reporting Persons purchased the Shares based on the Reporting Persons' belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase or sale of Shares desirable, the Reporting Persons may endeavor to increase or decrease their position in the Issuer through, among other things, the purchase or sale of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable.

No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, engaging in additional communications with management and the Board of the Issuer, engaging in discussions with stockholders of the Issuer and others about the Issuer and the Reporting Persons' investment, making proposals to the Issuer concerning changes to the capitalization, ownership structure, board structure (including board composition) or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short selling of or any hedging or similar transaction with respect to the Shares, or changing their intention with respect to any and all matters referred to in Item 4.

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Item 5. Interest in Securities of the Issuer.

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 25,701,011 Shares outstanding as of March 10, 2015, which is the total number of Shares outstanding as reported in the Issuer's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 11, 2015.

As of the close of business on March 17, 2015, Broadfin Master beneficially owned 2,130,477 Shares, constituting approximately 8.3% of the Shares outstanding. Each of Broadfin LP and Broadfin Offshore, as feeder funds of Broadfin Master, may be deemed to beneficially own the 2,130,477 Shares owned by Broadfin Master, constituting approximately 8.3% of the Shares outstanding. Broadfin Advisors, as the general partner of Broadfin LP, may be deemed to beneficially own the 2,130,477 Shares owned by Broadfin Master, constituting approximately 8.3% of the Shares outstanding. Broadfin Capital, as the investment manager of Broadfin Master, may be deemed to beneficially own the 2,130,477 Shares owned by Broadfin Master, constituting approximately 8.3% of the Shares outstanding. Mr. Kotler, as the managing member of Broadfin Capital, may be deemed to beneficially own the 2,130,477 Shares owned by Broadfin Master, constituting approximately 8.3% of the Shares outstanding.

Each Reporting Person, as a member of a "group" with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

(b) By virtue of their respective positions with Broadfin Master, each of Broadfin LP, Broadfin Offshore, Broadfin Advisors, Broadfin Capital and Mr. Kotler may be deemed to have sole power to vote and dispose of the Shares reported owned by Broadfin Master.

(c) Schedule B annexed hereto lists all transaction in the Shares during the past sixty days by the Reporting Persons.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

On March 18, 2015, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D, with respect to securities of the Issuer, to the extent required by applicable law. A copy of this agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Other than as described herein, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

99.1 Joint Filing Agreement by and among Broadfin Healthcare Master Fund, Ltd., Broadfin Healthcare Fund, L.P., Broadfin Healthcare Offshore Fund, Ltd, Broadfin Advisors, LLC, Broadfin Capital, LLC and Kevin Kotler, dated March 18, 2015.



CUSIP NO. 249827502

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 18, 2015

BROADFIN HEALTHCARE MASTER FUND, LTD.

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Director

BROADFIN HEALTHCARE FUND, L.P.

By: Broadfin Advisors, LLC  
General Partner

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

BROADFIN HEALTHCARE OFFSHORE FUND, LTD

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Director

BROADFIN ADVISORS, LLC

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

BROADFIN CAPITAL, LLC

By: /s/ Kevin Kotler  
Name: Kevin Kotler  
Title: Managing Member

/s/ Kevin Kotler  
KEVIN KOTLER



CUSIP NO. 249827502

SCHEDULE A

Directors and Officers of each of Broadfin Healthcare Master Fund, Ltd. and Broadfin Healthcare Offshore Fund, Ltd

Name and Position	Principal Occupation	Principal Business Address	Citizenship
Kevin Kotler Director*			
Roger H. Hanson Director	Managing Director of DMS Offshore Investment Services	DMS House 20 Genesis Close P.O. Box 314 Grand Cayman KY1-1104 Cayman Islands	Cayman Islands
Matt Auriemma Director	Director of HighWater Limited	HighWater Limited Grand Pavilion Commercial Centre, 1st Floor 802 West Bay Road Grand Cayman Cayman Islands	United States

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\*Mr. Kotler is a Reporting Person and, as such, the information with respect to Mr. Kotler called for by Item 2 of Schedule 13D is set forth therein.

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CUSIP NO. 249827502

## SCHEDULE B

## Transactions in Securities of the Issuer During the Past Sixty Days

Shares of Common Stock Purchased/(Sold)	Price Per Share(\$)	Date of Purchase/Sale
BROADFIN HEALTHCARE MASTER FUND, LTD.		
100,000	8.5000	02/05/2015
67,000	8.9530	02/06/2015
28,013	8.9145	02/09/2015
4,987	8.9638	02/10/2015
5,000	7.7244	03/04/2015
6,450	7.7414	03/05/2015
10,622	7.6650	03/06/2015
2,928	7.5651	03/09/2015
8,600	7.9859	03/16/2015
40,000	7.9983	03/16/2015