

MARTIN WILLIAM C  
Form 4  
May 10, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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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

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

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
254 WITHERSPOON STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
05/09/2011

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

PRINCETON, NJ 08542  
(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |   |
| Common Stock, par value \$0.01  | 05/09/2011                           |  | P                              | 34,619 A \$ 8.1676  | 364,947   | I <sup>(1)</sup>   | By Raging Capital Fund (QP), LP <sup>(2)</sup>        |
| Common Stock, par value \$0.01  |                                      |  |                                |   | 353,865   | I <sup>(1)</sup>   | By Raging Capital Fund, LP <sup>(3)</sup>             |
| Common                          |                                      |  |                                |   | 1,500   | D <sup>(1)</sup>   |   |

Stock, par value  
\$0.01

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 number.**

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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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

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

## Signatures

|   |            |
|---|------------|
| By: /s/ William C. Martin   | 05/10/2011 |
| **Signature of Reporting Person   | Date       |
| By: Raging Capital Management, LLC, By: /s/ William C. Martin, Managing Member  | 05/10/2011 |
| **Signature of Reporting Person   | Date       |
| By: Raging Capital Fund, LP, By: Raging Capital Management, LLC, General Partner, By: /s/ William C. Martin, Managing Member      | 05/10/2011 |
| **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 | 05/10/2011 |
| **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.

Represents shares of Common Stock 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 shares of Common Stock owned directly by Raging Capital Fund QP. As the managing member of Raging Capital, Mr. Martin may be deemed to beneficially own the shares of Common Stock owned directly by Raging Capital Fund QP.
  - (2) Represents shares of Common Stock owned directly by Raging Capital Fund. As the general partner of Raging Capital Fund, Raging Capital may be deemed to beneficially own the shares of Common Stock owned directly by Raging Capital Fund. As the managing member of Raging Capital, Mr. Martin may be deemed to beneficially own the shares of Common Stock owned directly by Raging Capital Fund.
  - (3) Represents shares of Common Stock owned directly by Raging Capital Fund. As the general partner of Raging Capital Fund, Raging Capital may be deemed to beneficially own the shares of Common Stock owned directly by Raging Capital Fund. As the managing member of Raging Capital, Mr. Martin may be deemed to beneficially own the shares of Common Stock owned directly by Raging Capital Fund.

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.