

AQUINOX PHARMACEUTICALS, INC
Form SC 13G
April 10, 2014

SCHEDULE 13G

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Under the Securities Exchange Act of 1934
(Amendment No.)*

Aquinox Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, par value \$0.000001 per share
(Title of Class of Securities)

03842B101
(CUSIP Number)

March 7, 2014
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

x Rule 13d-1(b)

“ Rule 13d-1(c)

Rule 13d-1(d)

***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 (the "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. 03842B101

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

Baker Bros. Advisors LP

1

13-4093645

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) "

2

(b) "

3 SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

**NUMBER OF 5 SOLE VOTING POWER
SHARES
BENEFICIALLY 1,211,851
OWNED BY**

**EACH
REPORTING
PERSON
WITH**

6SHARED VOTING POWER

-0-

7SOLE DISPOSITIVE POWER

1,211,851

8SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

1,211,851

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10 ☐

(See Instructions)

11PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12.1% (1)

12TYPE OF REPORTING PERSON (See Instructions)
IA, PN

(1) Based on 10,045,260 shares of common stock outstanding as of March 6, 2014, as reported in the Issuer's Prospectus filed with the SEC on March 7, 2014.

CUSIP No. **03842B101**

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

Baker Bros. Advisors (GP) LLC

1

46-3147749

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) "

2

(b) "

3

SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

**NUMBER OF 5 SOLE VOTING POWER
SHARES**

BENEFICIALLY 1,211,851

OWNED BY

EACH

REPORTING 6

**PERSON
WITH**

SHARED VOTING POWER

-0-

7SOLE DISPOSITIVE POWER

1,211,851

8SHARED DISPOSITIVE POWER

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

1,211,851

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

(See Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11

12.1% (1)

TYPE OF REPORTING PERSON (See Instructions)

12 HC, OO

(1) Based on 10,045,260 shares of common stock outstanding as of March 6, 2014, as reported in the Issuer's Prospectus filed with the SEC on March 7, 2014.

CUSIP No. 03842B101

¹ NAMES OF REPORTING PERSONS

¹ I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

Felix J. Baker

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

2 (a) "

(b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

**NUMBER OF 5 SOLE VOTING POWER
SHARES**

BENEFICIALLY 1,211,851

OWNED BY

EACH

REPORTING 6 SHARED VOTING POWER

PERSON

WITH -0-

7 SOLE DISPOSITIVE POWER

1,211,851

8

SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,211,851

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10 "

(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12.1% (1)

12 TYPE OF REPORTING PERSON (See Instructions)
IN, HC

(1) Based on 10,045,260 shares of common stock outstanding as of March 6, 2014, as reported in the Issuer's Prospectus filed with the SEC on March 7, 2014.

CUSIP No. 03842B101

1 NAMES OF REPORTING PERSONS

1 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

Julian C. Baker

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

2 (a) "

(b) "

SEC USE ONLY

3

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF 5 SOLE VOTING POWER

SHARES

BENEFICIALLY 1,211,851

OWNED BY

EACH

REPORTING 6 SHARED VOTING POWER

PERSON

WITH -0-

7 SOLE DISPOSITIVE POWER

1,211,851

8 SHARED DISPOSITIVE POWER

-0-

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,211,851

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

(See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

12.1% (1)

12 TYPE OF REPORTING PERSON (See Instructions)

IN, HC

(2) Based on 10,045,260 shares of common stock outstanding as of March 6, 2014, as reported in the Issuer's Prospectus filed with the SEC on March 7, 2014.

Item 1(a) Name of Issuer:

Aquinox Pharmaceuticals, Inc. (the “Issuer”)

Item 1(b) Address of Issuer’s Principal Executive Offices:

450-887 Great Northern Way

Vancouver, B.C., Canada V5T 4T5

Item 2(a) Name of Person Filing:

This Schedule 13G is being filed jointly by the Baker Bros. Advisors LP (the “Adviser”), Baker Bros. Advisors (GP) LLC (the “Adviser GP”), Felix J. Baker and Julian C. Baker (collectively, the “Reporting Persons”).

Item 2(b) Address of Principal Business Office or, if None, Residence:

The business address of each of the Reporting Persons is:

c/o Baker Bros. Advisors LP

667 Madison Avenue, 21st Floor

New York, NY 10065

(212) 339-5690

Item 2(c) Citizenship:

The Adviser is a limited partnership organized under the laws of the State of Delaware. The Adviser GP is a limited liability company organized under the laws of the State of Delaware. The citizenship of each of Julian C. Baker and Felix J. Baker is the United States of America.

Item 2(d) Title of Class of Securities

Common Stock, \$0.000001 par value per share ("Common Stock")

Item 2(e) CUSIP Number

03842B101

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Item 3. If this statement is filed pursuant to §§240.13d-1(b) or (c), check whether the person filing is a:

- (a) ☐ Broker or dealer registered under Section 15 of the Exchange Act.
- (b) ☐ Bank as defined in section 3(a)(6) of the Exchange Act.
- (c) ☐ Insurance company as defined in section 3(a)(19) of the Exchange Act.
- (d) ☐ Investment company registered under section 8 of the Investment Company Act of 1940.
- (e) ☒ An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f) ☐ An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g) ☒ A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h) ☐ A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i) ☐ A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940.
- (j) ☐ Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Items 5 through 9 and 11 of each of the cover pages to this Schedule 13G are incorporated herein reference. Certain securities of the Issuer are directly held by each of Baker Brothers Life Sciences, L.P. (“Life Sciences”), 14159, L.P. (“14159”), Baker Bros. Investments II, L.P. (“Bros II”), and 667, L.P. (“667”, and together with Life Sciences, Bros II and 14159, the “Funds”). The information set forth below is based upon 10,045,260 shares of Common Stock outstanding as of March 6, 2014 as reported on the Issuer’s Prospectus filed with the SEC on March 7, 2014. Such percentage figures are calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

Pursuant to the amended and restated management agreements, as amended, among the Adviser, the Funds and their respective general partners, the Funds' respective general partners relinquished to the Adviser all discretion and authority with respect to the investment and voting power of the securities held by the Funds, the Adviser has complete and unlimited discretion and authority with respect to the Funds' investments and voting power over investments.

The Adviser GP, Felix J. Baker and Julian C. Baker as principals of the Adviser GP, and the Adviser may be deemed to be beneficial owners of securities of the Issuer directly held by the Funds, and may be deemed to have the power to vote or direct the vote of and the power to dispose or direct the disposition of such securities.

The Reporting Persons disclaim beneficial ownership of the securities held by each of the Funds, and this Schedule 13G shall not be deemed an admission that the Reporting Persons are the beneficial owners of such securities for purposes of Section 13(d) or for any other purpose.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following []. N/A

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

The information in Item 4 is incorporated herein by reference.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

The information in Item 4 is incorporated herein by reference.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

April 10, 2014

**BAKER BROS.
ADVISORS LP**

By: Baker Bros. Advisors
(GP) LLC, its general
partner

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

**BAKER BROS.
ADVISORS (GP) LLC**

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

/s/ Julian C. Baker
Julian C. Baker

/s/ Felix J. Baker_
Felix J. Baker

