

VERMILLION, INC.
Form SC 13D/A
February 22, 2017
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 6)
Under the Securities Exchange Act of 1934*

Vermillion, Inc.

(Name of Issuer)
Common Stock, Par Value \$0.001 Per Share

(Title of Class of Securities)
92407M206
(CUSIP Number)
Larry N. Feinberg
c/o Oracle Investment Management, Inc.
200 Greenwich Avenue
Greenwich, CT 06830
(203) 862-7900

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

With a copy to:

Jeffrey S. Hochman, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

February 17, 2017

(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:

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

* 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).

SCHEDULE 13D

CUSIP No. 92407M206

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1 NAMES OF REPORTING PERSONS
Larry N. Feinberg

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

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7	SOLE VOTING POWER
	-0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SHARED VOTING POWER
9,825,289*

SOLE
DISPOSITIVE
POWER
-0-

10 SHARED
DISPOSITIVE
POWER
9,825,289*

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
9,825,289*

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
17.36%**

14 TYPE OF REPORTING
PERSON (See Instructions)
IN

* Includes 583,333 shares of common stock which may be acquired upon exercise of the OIP Warrant (as defined in Item 3), which is exercisable before August 13, 2017.

** Calculated based on a total of 56,598,860 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding as of October 31, 2016, according to Form 10-Q filed by Vermillion, Inc. on November 10, 2016 (the "Form 10-Q"), plus (ii) the 3,747,125 shares of Common Stock sold in the offering, plus (ii) 583,333 shares of common stock issuable upon the exercise of the OIP Warrant.

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1 NAMES OF REPORTING PERSONS Oracle Associates, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions) N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER -0- NUMBER OF SHARES BENEFICIALLY OWNED8 BY EACH REPORTING PERSON9 WITH SHARED VOTING POWER 9,825,289*

SOLE
DISPOSITIVE
POWER
-0-

10 SHARED
DISPOSITIVE
POWER
9,825,289*

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
9,825,289*

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
17.36%**

14 TYPE OF REPORTING
PERSON (See Instructions)
OO

* Includes 583,333 shares of common stock which may be acquired upon exercise of the OIP Warrant, which is exercisable before August 13, 2022.

** Calculated based on a total of 56,598,860 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding according to the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering, plus (iii) 583,333 shares of common stock issuable upon the exercise of the OIP Warrant.

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1 NAMES OF REPORTING
PERSONS
Oracle Partners, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS (See
Instructions)
OO

5 CHECK IF
DISCLOSURE OF
LEGAL PROCEEDING
IS REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Delaware

7 SOLE
VOTING
POWER
-0-

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON
WITH
SHARED
VOTING
POWER
5,673,754*
SOLE
DISPOSITIVE

POWER

-0-

10 SHARED
DISPOSITIVE
POWER
5,673,754*

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
5,673,754*

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
10.13%**

14 TYPE OF REPORTING
PERSON (See Instructions)
PN

* Includes 583,333 shares of common stock which may be acquired upon exercise of the OIP Warrant, which is exercisable before August 13, 2017.

** Calculated based on a total of 56,015,427 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding according to the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering.

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1 NAMES OF REPORTING
PERSONS
Oracle Investment Management,
Inc.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS (See
Instructions)
N/A

5 CHECK IF
DISCLOSURE OF
LEGAL PROCEEDING
IS REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Delaware

7 SOLE
VOTING
POWER
-0-

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON
WITH
SHARED
VOTING
POWER
2,595,980

SOLE
DISPOSITIVE
POWER
-0-

10 SHARED
DISPOSITIVE
POWER
2,595,980

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
2,595,980

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
4.63%*

14 TYPE OF REPORTING
PERSON (See Instructions)
CO

* Calculated based on a total of 56,015,427 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding according to the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering.

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1 NAMES OF REPORTING
PERSONS
Oracle Ten Fund Master, LP

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

3 SEC USE ONLY

4 SOURCE OF FUNDS (See
Instructions)
OO

5 CHECK IF
DISCLOSURE OF
LEGAL PROCEEDING
IS REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Cayman Islands

7 SOLE
VOTING
POWER
-0-

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON
WITH

SHARED
VOTING
POWER
2,595,980

SOLE
DISPOSITIVE

POWER
-0-

10 SHARED
DISPOSITIVE
POWER
2,595,980

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
2,595,980

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
4.63%*

14 TYPE OF REPORTING
PERSON (See Instructions)
OO

* Calculated based on a total of 56,015,427 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding according to the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering.

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1 NAMES OF REPORTING
PERSONS
Oracle Institutional Partners,
L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS (See
Instructions)
OO

5 CHECK IF
DISCLOSURE OF
LEGAL PROCEEDING
IS REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Delaware

7 SOLE
VOTING
POWER
-0-

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON
WITH
SHARED
VOTING
POWER
1,555,555

SOLE
DISPOSITIVE
POWER
-0-

10 SHARED
DISPOSITIVE
POWER
1,555,555

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
1,555,555

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
2.75%*

14 TYPE OF REPORTING
PERSON (See Instructions)
PN

* Calculated based on a total of 56,598,760 shares of common stock outstanding, which is comprised of (i) 52,268,302 shares of common stock outstanding according to the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering, plus (iii) 583,333 shares of common stock issuable upon the exercise of the OIP Warrant.

Pursuant to Rule 13d-2 under the Act, this Amendment No. 6 to Schedule 13D (this "Amendment") amends and supplements the Schedule 13D filed on May 23, 2013, as previously amended by Amendment No. 1, filed on June 13, 2013, Amendment No. 2, filed on December 23, 2013, Amendment No. 3, filed on December 24, 2014, Amendment No. 4, filed on April 24, 2015 and Amendment No. 5, filed on July 17, 2015 (as amended, the "Schedule 13D"), and is being filed on behalf of Oracle Partners, L.P., a Delaware limited partnership ("Oracle Partners"), Oracle Ten Fund Master, LP, a Cayman Islands exempted company ("Oracle Ten Fund"), Oracle Institutional Partners, L.P., a Delaware limited partnership ("Oracle Institutional Partners"), Oracle Associates, LLC, a Delaware limited liability company and the general partner of Oracle Partners, Oracle Ten Fund and Oracle Institutional Partners ("Oracle Associates"), Oracle Investment Management, Inc., a Delaware corporation and the investment manager to Oracle Ten Fund ("Investment Manager") and Larry N. Feinberg, the managing member of Oracle Associates and the sole shareholder, director and president of the Investment Manager (each of the foregoing, a "Reporting Person" and collectively, the "Reporting Persons"). This Amendment relates to the common stock, par value \$0.001 per share ("Common Stock"), of Vermillion, Inc., a Delaware corporation (the "Company").

Note: The Reporting Persons are filing this Amendment to report the recent purchases of additional shares of Common Stock of the Company by Oracle Partners, L.P., as further described below.

All capitalized terms used herein which are not defined herein have the meanings given to such terms in the Schedule 13D.

Item 3. Source and Amount of Funds.

Item 3 is hereby amended by inserting the following at the end thereof:

The aggregate purchase price for the additional 617,731 shares of Common Stock acquired by Oracle Partners, L.P. on February 17, 2017 was \$864,823.40. All of the funds required to acquire these additional shares of Common Stock were furnished from the working capital of Oracle Partners, L.P.

Item 4. Interest in Securities of the Issuer.

The following is hereby inserted at the end of Item 4:

On February 17, 2017, Oracle Partners purchased 617,731 additional shares of Common Stock for an aggregate purchase price of \$864,823.40 in a private offering a purchase price of \$1.40 per share.

Item 5. Interest in Securities of the Issuer.

Items 5(a)-(c) of the Schedule 13D are hereby amended and restated in their entirety as follows:

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(a) As of February 17, 2017, Oracle Partners may be deemed to beneficially own 5,673,754 shares of Common Stock, representing 10.13% of the outstanding shares of Common Stock (based on (i) 52,268,302 shares of Common Stock outstanding, as reported by the Company in the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering).

As of February 17, 2017, Oracle Institutional Partners may be deemed to beneficially own (a) 1,555,555 shares of Common Stock, and (b) 583,333 shares of Common Stock issuable on the exercise of its warrant (the "OIP Warrant"), representing 2.75% of the outstanding shares of Common Stock (based on (i) 52,268,302 shares of Common Stock outstanding, as reported by the Company in the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering) plus (iii) 583,333 shares of Common Stock issuable upon the exercise of the OIP Warrant).

As of February 17, 2017, Oracle Ten Fund and Investment Manager, due to its relationship with Oracle Ten Fund, may be deemed to beneficially own 2,595,980 shares of Common Stock, representing 4.63% of the outstanding shares of Common Stock (based on (i) 52,268,302 shares of Common Stock outstanding, as reported by the Company in the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering).

As of February 17, 2017, Oracle Associates, due to its relationship with Oracle Partners, Oracle Ten Fund and Oracle Institutional Partners, and Mr. Feinberg, due to his respective relationships with the other Reporting Persons, may be deemed to beneficially own 9,825,289 shares of Common Stock, representing 17.36% of the outstanding shares of Common Stock (based on (i) 52,268,302 shares of Common Stock outstanding, as reported by the Company in the Form 10-Q, plus (ii) the 3,747,125 shares of Common Stock sold in the offering, plus (iii) 583,333 shares of Common Stock issuable upon the exercise of the OIP Warrant).

The Reporting Persons may be deemed to constitute a "person" or "group" within the meaning of Section 13(d)(3) of the Exchange Act. The filing of this Schedule 13D shall not be construed as an admission of such beneficial ownership or that the Reporting Persons constitute a person or a group.

(b) Each of the Reporting Persons shares the power to vote or to direct the vote and to dispose or to direct the disposition of the shares of Common Stock it may be deemed to beneficially own as described in Item 5(a) above.

(c) The Reporting Persons have not effected any transactions in the Common Stock in the last sixty days.

SIGNATURES

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

ORACLE PARTNERS, L.P.

By: ORACLE ASSOCIATES, LLC, its general partner

Dated: February 22, 2017

By: /s/ Larry N. Feinberg
Name: Larry N. Feinberg
Title: Managing Member

ORACLE TEN FUND MASTER, LP

By: ORACLE ASSOCIATES, LLC, its general partner

Dated: February 22, 2017

By: /s/ Larry N. Feinberg
Name: Larry N. Feinberg
Title: Managing Member

ORACLE INSTITUTIONAL PARTNERS, L.P.

By: ORACLE ASSOCIATES, LLC, its general partner

Dated: February 22, 2017

By: /s/ Larry N. Feinberg
Name: Larry N. Feinberg
Title: Managing Member

ORACLE ASSOCIATES, LLC

Dated: February 22, 2017 By: /s/ Larry N. Feinberg
Name: Larry N. Feinberg
Title: Managing Member

Dated: February 22, 2017

ORACLE INVESTMENT MANAGEMENT, INC.

By: /s/ Larry N. Feinberg

Name: Larry N. Feinberg

Title: President and Director

LARRY N. FEINBERG

Dated: February 22, 2017

By: /s/ Larry N. Feinberg