

OMB APPROVAL	
OMB Number:	3235-0287
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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>WAN MARK A</u> <hr/> (Last) (First) (Middle) <u>C/O THREE ARCH PARTNERS</u> <u>19 SOUTH B STREET, SUITE 14</u> <hr/> (Street) <u>SAN MATEO CA 94401</u> <hr/> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ACELRX PHARMACEUTICALS INC [</u> <u>ACRX ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/21/2018</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	05/21/2018		J		3,347,357 <sup>(1)</sup>	D	(5)(6)(7)	0	I	See Footnote <sup>(1)</sup>
Common Stock	05/21/2018		J		179,962 <sup>(2)</sup>	D	(5)(6)(7)	0	I	See Footnote <sup>(2)</sup>
Common Stock	05/21/2018		J		5,713,569 <sup>(3)</sup>	D	(5)(6)(7)	0	I	See Footnote <sup>(3)</sup>
Common Stock	05/21/2018		J		126,153 <sup>(4)</sup>	D	(5)(6)(7)	0	I	See Footnote <sup>(4)</sup>

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person* <u>WAN MARK A</u> <hr/> (Last) (First) (Middle) <u>C/O THREE ARCH PARTNERS</u> <u>19 SOUTH B STREET, SUITE 14</u> <hr/> (Street) <u>SAN MATEO CA 94401</u> <hr/> (City) (State) (Zip)		
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1. Name and Address of Reporting Person\*

JAEGER WILFRED E

(Last) (First) (Middle)

C/O THREE ARCH PARTNERS  
19 SOUTH B STREET, SUITE 14

(Street)

SAN MATEO CA 94401

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

THREE ARCH PARTNERS IV LP

(Last) (First) (Middle)

C/O THREE ARCH PARTNERS  
19 SOUTH B STREET, SUITE 14

(Street)

SAN MATEO CA 94401

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

THREE ARCH PARTNERS III LP

(Last) (First) (Middle)

C/O THREE ARCH PARTNERS  
19 SOUTH B STREET, SUITE 14

(Street)

SAN MATEO CA 94401

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

THREE ARCH ASSOCIATES IV LP

(Last) (First) (Middle)

C/O THREE ARCH PARTNERS  
19 SOUTH B STREET, SUITE 14

(Street)

SAN MATEO CA 94401

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

THREE ARCH ASSOCIATES III LP

(Last) (First) (Middle)

C/O THREE ARCH PARTNERS  
19 SOUTH B STREET, SUITE 14

(Street)

SAN MATEO CA 94401

(City) (State) (Zip)

Explanation of Responses:

1. The shares are owned directly by Three Arch Partners III, L.P. ("TAP III"), Three Arch Management III, L.L.C. ("TAM III"), the general partner of TAP III, had sole voting and dispositive power with respect to the securities held by TAP III. Mark A. Wan and Wilfred Jaeger, the managing members of TAM III, shared the voting and dispositive power with respect to the shares held by TAP III. Such persons and entities disclaim beneficial ownership of the shares held by TAP III except to the extent of any pecuniary interest therein. See Explanation of Responses #5 for more information.
2. The shares are owned directly by Three Arch Associates III, L.P. ("TAA III"). TAM III, the general partner of TAA III, had sole voting and dispositive power with respect to the securities held by TAA III. Mark A. Wan and Wilfred Jaeger, the managing members of TAM III, shared the voting and dispositive power with respect to the shares held by TAA III. Such persons and entities disclaim beneficial ownership of the shares held by TAA III except to the extent of any pecuniary interest therein. See Explanation of Responses #5 for more information.
3. The shares are owned directly by Three Arch Partners IV, L.P. ("TAP IV"). Three Arch Management IV, L.L.C. ("TAM IV"), the general partner of TAP IV, had sole voting and dispositive power with respect to the securities held by TAP IV. Mark A. Wan and Wilfred Jaeger, the managing members of TAM IV, shared the voting and dispositive power with respect to the shares held by TAP IV. Such persons and entities disclaim beneficial ownership of the shares held by TAP IV except to the extent of any pecuniary interest therein. See Explanation of Responses #5 for more information.
4. The shares are owned directly by Three Arch Associates IV, L.P. ("TAA IV"). TAM IV, the general partner of TAA IV, had sole voting and dispositive power with respect to the securities held by TAA IV. Mark A. Wan and Wilfred Jaeger, the managing members of TAM IV, shared the voting and dispositive power with respect to the shares held by TAA IV. Such persons and entities disclaim beneficial ownership of the shares held by TAA IV except to the extent of any pecuniary interest therein. See Explanation of Responses #5 for more information.
5. On May 21, 2018, the TAP III, TAP IV, TAA III and TAA IV (the "Affiliated Entities") and certain other affiliates of the Affiliated Entities and Leerink Revelation Healthcare Fund I, L.P., Industry Ventures Secondary VIII, L.P. and Kline Hill Partners Fund II LP (the "Purchasers") entered into a purchase agreement (the "Purchase Agreement") pursuant to which the Affiliated Entities agreed to a sale to the Purchasers (the "Portfolio Sale") of a portfolio of assets held by the Affiliated Entities consisting of the securities of private and public companies, including the 9,367,041 shares of Common Stock (the "AcelRx Shares") of AcelRx Pharmaceuticals, Inc. (the "Issuer") and other investment interests. The transfer of the AcelRx Shares and the securities of another portfolio asset (such securities together with the AcelRx Shares, the "Initial Closing Securities") was consummated at an initial closing on May 21, 2018 to the Purchasers.
6. (Continued From Footnote 5) The Portfolio Sale was undertaken for portfolio management purposes in connection with the imminent expiration of the terms of the Affiliated Entities under their respective governing agreements, as the Affiliated Entities were initially formed between 1999 and 2004 with initially contemplated terms of ten years. The Portfolio Sale was undertaken as a result of the imminent dissolution of the Affiliated Entities due to the upcoming expiration of the terms under the governing agreements. The Portfolio Sale is not being undertaken as a result of an adverse change in the Affiliated Entities' views on the prospects of the Issuer, or its businesses, management or directors. Wan, a director of the Issuer and affiliate of the Affiliated Entities, will continue serving as a member of the Issuer's Board of Directors after the Portfolio Sale.
7. (Continued From Footnote 6) The aggregate purchase price to be paid by the Purchasers in the Portfolio Sale is \$30 million in up front consideration, plus a residual amount calculated based on, among other things, the trading price of the AcelRx Shares and certain other securities as of the end of calendar year 2018, up to a maximum aggregate amount of \$12.5 million in additional consideration (the "Residual Consideration"). The Initial Closing Securities sold by the Affiliated Entities in the Portfolio Sale were priced on an aggregate basis, for total consideration in the range of \$25 million to \$37.5 million, depending upon the amount of Residual Consideration eventually paid. Because the Initial Closing Securities sold by the Affiliated Entities in the Portfolio Sale were price on an aggregate basis, a price per share was not separately determined for the AcelRx Shares.

**Remarks:**

/s/ Steve Agelopoulos,  
Attorney-in-Fact for Mark A. Wan      05/23/2018

/s/ Steve Agelopoulos,  
Attorney-in-Fact for Wilf Jaeger      05/23/2018

/s/ Steve Agelopoulos,  
Attorney-in-Fact for the GP of Three Arch Partners IV, L.P.      05/23/2018

/s/ Steve Agelopoulos,  
Attorney-in-Fact for the GP of Three Arch Partners III, L.P.      05/23/2018

/s/ Steve Agelopoulos,  
Attorney-in-Fact for the GP of Three Arch Associates IV, L.P.      05/23/2018

/s/ Steve Agelopoulos,  
Attorney-in-Fact for the GP of Three Arch Associates III, L.P.      05/23/2018

\*\* Signature of Reporting Person      Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**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 Number.**