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DERMA SCIENCES INC
Form SC 13D/A
October 09, 2003

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 5)*

Derma Sciences, Inc.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

249827205

(CUSIP Number)

Raymond C. Hedger
Hedger & Hedger
2 Fox Chase Drive, P.O. Box 915, Hershey, PA 17033
(717)534-9993

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

May 22, 2003

(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement of Schedule 13G to report the acquisition which is the subject of the Schedule 13D, and is filing this schedule because of ss. 240.13d-1(e), ss. 240.13d-1(f) or ss. 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 ss. 240.13d-7(b) 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 the 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).

(Continued on following page(s))

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CUSIP No. 249827205

Schedule 13D

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Stephen T. Wills, CPA, MST 190-50-9087

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*

PF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES 7 SOLE VOTING POWER

BENEFICIALLY 415,336

OWNED BY EACH 8 SHARED VOTING POWER

REPORTING

PERSON WITH 9 SOLE DISPOSITIVE POWER

415,336

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

415,336

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

[]

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

5.53%

14 TYPE OF REPORTING PERSON*

IN

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Schedule 13D

ITEM 1. SECURITY AND ISSUER

This Schedule 13D relates to the common stock, \$.01 par value (the "Common Stock"), of Derma Sciences, Inc., a Pennsylvania corporation (the "Issuer"), whose principal executive offices are located at 214 Carnegie Center, Suite 100, Princeton, New Jersey 08540.

ITEM 2. IDENTITY AND BACKGROUND

This Schedule 13D is being filed by Stephen T. Wills, CPA, MST (the "Reporting Person"). Certain information with respect to the Reporting Person is set forth below:

| | |
|-----------------------|---|
| Name and Address: | Stephen T. Wills, CPA, MST Chief Financial Officer Palatin Technologies, Inc. 4C Cedar Brook Drive Cranbury, NJ 08512 |
| Principal Occupation: | Chief Financial Officer of Palatin Technologies, Inc. |
| Criminal convictions: | None |
| Civil proceedings: | None |
| Citizenship: | United States |

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Options to purchase 70,000 shares of the common stock of the Issuer described under Item 5 were granted to the Reporting Person without payment of consideration.

The source and amount of funds used to effect the purchase of 24,000 shares of the Issuer's common stock described under Item 5 were personal funds of the Reporting Person in the amount of \$12,000.

ITEM 4. PURPOSES OF THE TRANSACTIONS

The purpose of the reported, and all previous, acquisitions of the Issuer's Common Stock, together with options to purchase same, is investment without a view, presently or ultimately, to acquiring control of the Issuer. The Reporting Person serves as a member of the board of directors of the Issuer. In this capacity, the Reporting Person has proposed, and may in the future propose, candidates for election to the Issuer's board of directors. There is no agreement or arrangement between the Reporting Person and the Issuer with respect to election of candidates proposed by the Reporting Person. The inclusion of such candidates in management's slate of directors to be submitted for consideration by the Issuer's shareholders is entirely at the discretion of the Issuer's board of directors.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

The following table sets forth shares of the Issuer's Common Stock as to which the Reporting Person maintains beneficial ownership. The Reporting Person maintains both voting power and dispositive power relative to all such shares:

Beneficial Common Stock Ownership

| | |
|--|---------|
| Owned outright | 119,668 |
| Exercisable options (1) | 15,000 |
| Exercisable options (2) | 32,000 |
| Exercisable options (3) | 15,000 |
| Exercisable options (4) | 30,000 |
| Exercisable options (5) | 65,000 |
| Exercisable options (6) | 25,000 |
| Exercisable options (7) | 55,000 |
| Exercisable warrants (8) | 58,668 |
| Total beneficially owned | 415,336 |
| | ===== |
| Percentage of class beneficially owned | 6.90% |

-
- (1) Exercisable at \$5.00 per share.
 (2) Exercisable at \$6.00 per share.
 (3) Exercisable at \$0.75 per share.
 (4) Exercisable at \$0.40 per share.
 (5) Exercisable at \$0.51 per share.
 (6) Exercisable at \$0.50 per share.
 (7) Exercisable at \$0.90 per share.
 (8) Exercisable at \$0.85 per share.

On May 22, 2003 the board of directors of the Issuer awarded the Reporting Person "non-statutory" options to purchase 70,000 shares of the Issuer's common stock. The options are exercisable at the price of \$0.90 per share which price represents the closing price of the common stock on the OTC Bulletin Board on the date of grant. These options are, or become, exercisable with respect to the following number of shares on the following dates: 55,000 on May 22, 2003; 5,000 on May 22, 2003; 5,000 on May 22, 2005; and 5,000 on May 22, 2006.

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On June 12, 2003 the Reporting Person purchased from the Issuer 24,000 shares of the Issuer's common stock, \$0.01 par value, at a per share price of \$0.50 for a total investment of \$12,000. Previously, the Reporting Person had purchased in the same offering 30,000 shares of the Issuer's common stock at a per share price of \$0.50 for a total price \$15,000. The Reporting Person and approximately

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20 other institutional and individual investors purchased 4,000,000 shares of the Issuer's common stock, in the same offering and upon identical terms, for a total investment of \$2,000,000. The foregoing sales and purchases were effected in transactions not involving a public offering.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

None.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

None.

SIGNATURES

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.

/s/ Stephen T. Wills

By: Raymond C. Hedger, Jr.
Attorney-in-Fact

October 3, 2003

POWER OF ATTORNEY INCORPORATED BY REFERENCE

The limited power of attorney dated September 11, 2000 and filed with the SEC on September 11, 2000 with Schedule 13D for Stephen T. Wills, is incorporated by reference.