

<b>OMB APPROVAL</b>	
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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**

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>DUNN JOHN MICHAEL</u>  (Last) (First) (Middle) C/O VITAL THERAPIES, INC. 15222-B AVENUE OF SCIENCE  (Street) SAN DIEGO CA 92128  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>VITAL THERAPIES INC [ VTL ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>General Counsel and Secretary</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/11/2019</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			

**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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (right to buy)	\$19.03	01/11/2019		D			50,000	(1)	11/16/2024	Common Stock	50,000	\$0 <sup>(2)</sup>	0	D	
Stock Option (right to buy)	\$8.28	01/11/2019		D			45,000	(3)	05/12/2026	Common Stock	45,000	\$0 <sup>(2)</sup>	0	D	
Stock Option (right to buy)	\$3.2	01/11/2019		D			45,000	(4)	06/09/2027	Common Stock	45,000	\$0 <sup>(2)</sup>	0	D	
Stock Option (right to buy)	\$5	01/11/2019		D			45,000	(5)	06/08/2028	Common Stock	45,000	\$0 <sup>(2)</sup>	0	D	
Restricted Stock Units	(6)	01/11/2019		A		724,848		(7)	(7)	Common Stock	724,848	\$0	724,848	D	

**Explanation of Responses:**

- Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan (the "Plan")), one forty-eighth (1/48th) of the shares subject to the option vested and became exercisable one month after the vesting commencement date of November 17, 2014, and an additional one forty-eighth (1/48th) of the shares vest and become exercisable at the end of each monthly period thereafter. One hundred percent (100%) of the unvested portion of the option, if any, shall vest in the event of a termination without cause following a Change in Control (as defined in the Plan).
- The option was cancelled by mutual agreement of the reporting person and Vital Therapies, Inc. The reporting person received a restricted stock unit award as reported in this Form 4 as consideration for this cancellation.
- Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan (the "Plan")), one forty-eighth (1/48th) of the shares subject to the option vested and became exercisable one month after the vesting commencement date of April 16, 2016, and an additional one forty-eighth (1/48th) of the shares vest and become exercisable at the end of each monthly period thereafter. One hundred percent (100%) of the unvested portion of the option, if any, shall vest in the event of a termination without cause following a Change in Control (as defined in the Plan).
- Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan (the "Plan")), one forty-eighth (1/48th) of the shares subject to the option vested and became exercisable one month after the vesting commencement date of June 10, 2017, and an additional one forty-eighth (1/48th) of the shares vest and become exercisable at the end of each monthly period thereafter. One hundred percent (100%) of the unvested portion of the option, if any, shall vest in the event of a termination without cause following a Change in Control (as defined in the Plan).
- Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan (the "Plan")), one forty-eighth (1/48th) of the shares subject to the option vested and became exercisable one month after the vesting commencement date of June 9, 2018, and an additional one forty-eighth (1/48th) of the shares vest and become exercisable at the end of each monthly period thereafter. One hundred percent (100%) of the unvested portion of the option, if any, shall vest in the event of a termination without cause following a Change in Control (as defined in the Plan).
- Each restricted stock unit ("RSU") represents a contingent right to receive one share of Vital Therapies, Inc. Common Stock.
- Subject to the reporting person continuing to be a Service Provider (as defined in the 2014 Equity Incentive Plan), twenty five percent (25%) of the RSUs vest annually after the vesting commencement date of January 11, 2019. One hundred percent (100%) of the unvested portion of the RSUs, if any, shall vest in the event of a Termination without Cause or Resignation for Good Reason (each as defined in the reporting person's Change of Control and Severance Agreement).

**Remarks:**

/s/ Michael V. Swanson, by 01/14/2019  
power of attorney

\*\* Signature of Reporting Person Date

\* 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.

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