

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

| OMB APPROVAL | |
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| 1. Name and Address of Reporting Person* <u>SABBY MANAGEMENT, LLC</u> (Last) (First) (Middle) <u>10 MOUNTAINVIEW ROAD</u> <u>SUITE 205</u> (Street) <u>UPPER</u> <u>SADDLE NJ 07458</u> <u>RIVER</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>ReShape Lifesciences Inc. [RSL S]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>01/15/2019</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 | | | |
| Common Stock | 01/15/2019 | | P | | 167,760 | A | \$0.2351 | 1,043,408 | I ⁽¹⁾⁽²⁾ | See Footnotes ⁽¹⁾⁽²⁾ |
| Common Stock | 01/16/2019 | | P | | 21,961 | A | \$0.2703 | 1,065,369 | I ⁽¹⁾⁽²⁾ | See Footnotes ⁽¹⁾⁽²⁾ |
| Common Stock | 01/16/2019 | | P | | 4,700 | A | \$0.263 | 1,070,069 | I ⁽¹⁾⁽²⁾ | See Footnotes ⁽¹⁾⁽²⁾ |

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 | | | | | |

Explanation of Responses:

- This Form 4 is being filed by Sabby Volatility Warrant Master Fund, Ltd. ("SVWMF"), Sabby Management, LLC ("Advisor") and Hal Mintz. Advisor is the investment manager of SVWMF. Mr. Mintz is manager of Advisor.
- The amounts reported herein reflect the entire amount of Issuer's common shares held by SVWMF as of each transaction date. Each of Advisor and Mr. Mintz disclaims for purposes of Section 16 of the Securities Exchange Act of 1934 ("Section 16"), beneficial ownership of such securities, except to the extent of its/his pecuniary interest therein, and this report shall not be deemed as an admission that either Advisor or Mr. Mintz is the beneficial owner of such securities for purposes of Section 16 or otherwise.

/s/ Robert Grundstein, COO
and General Counsel of Sabby, 01/17/2019
Management, LLC

** 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.