

CARRIAGE SERVICES INC  
Form 4  
June 09, 2016

**FORM 4**

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

OMB APPROVAL

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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 OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
PAYNE MELVIN C

(Last) (First) (Middle)  
3040 POST OAK BLVD, SUITE 300  
(Street)

HOUSTON, TX 77056

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

CARRIAGE SERVICES INC [CSV]

3. Date of Earliest Transaction (Month/Day/Year)  
06/08/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
CEO

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock                    | 06/08/2016                           |  | G <sup>(1)</sup>               | 25,000 D  | \$ 0 1,276,599  | D  |  |
| Common Stock                    | 06/08/2016                           |  | J <sup>(2)</sup>               | 25,000 D  | \$ 0 1,251,599  | D  |  |
| Common Stock                    | 06/08/2016                           |  | G <sup>(1)</sup>               | 25,000 A  | \$ 0 28,518   | I  | Spouse                                     |
| Common Stock                    | 06/08/2016                           |  | J <sup>(3)</sup>               | 25,000 D  | \$ 0 3,518  | I  | Spouse                                     |
| Common Stock                    |                                      |  |                                |   | 25,000 <sup>(2)</sup>   | I  | Melvin C. Payne, Jr. 2016                  |

|              |                       |   |  |
|--------------|-----------------------|---|--|
| Common Stock | 25,000 <sup>(3)</sup> | I | Annuity Trust<br>Karen P. Payne 2016 Annuity Trust |
| Common Stock | 80,000                | I | daughter in same household                         |

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

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(9-02)

**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 Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Stock Options                              | \$ 20.06   |                                      |  |                                |   | <sup>(4)</sup>   | 02/23/2026  | Common Stock | 58,500                     |
| Performance Award                          | <sup>(5)</sup>   |                                      |  |                                |   | <sup>(5)</sup>   | 12/31/2020  | Common Stock | 17,900                     |
| Stock Options                              | \$ 22.58   |                                      |  |                                |   | <sup>(6)</sup>   | 02/24/2022  | Common Stock | 100,000                    |
| Stock Options                              | \$ 20.49   |                                      |  |                                |   | <sup>(7)</sup>   | 03/03/2019  | Common Stock | 100,000                    |
| Stock Options                              | \$ 16.73   |                                      |  |                                |   | <sup>(8)</sup>   | 05/22/2018  | Common Stock | 100,000                    |
| Stock Options                              | \$ 5.7   |                                      |  |                                |   | <sup>(9)</sup>   | 02/28/2021  | Common Stock | 3,284                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| PAYNE MELVIN C<br>3040 POST OAK BLVD<br>SUITE 300<br>HOUSTON, TX 77056 | X             |           | CEO     |       |

## Signatures

/s/ Melvin C.  
Payne  
06/09/2016

\*\*Signature of  
Reporting Person  
Date

## Explanation of Responses:

- \* 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).
- This transaction involved a gift of securities by the reporting person to his spouse. The reporting person disclaims beneficial ownership of
- (1) the shares held by his spouse, and this report should not be deemed an admission that the reporting person is the beneficial owner of his spouse's shares for purposes of Section 16 or for any other purpose.
  - (2) On June 8, 2016, the reporting person contributed the 25,000 shares to the Melvin C. Payne, Jr. 2016 Annuity Trust, a grantor retained annuity trust.
  - (3) In connection with the gift of securities by the reporting person to his spouse on June 8, 2016, the reporting person's spouse immediately contributed the 25,000 shares to the Karen P. Payne 2016 Annuity Trust, a grantor retained annuity trust, on June 8, 2016.
  - (4) Stock Options granted pursuant to the Carriage Services, Inc. Second Amended and Restated 2006 Long-Term Incentive Plan which will vest 1/5 each year on 2/23/2017, 2/23/2018, 2/23/2019, 2/23/2020 and 2/23/2021. These stock options expire on 2/23/2026.  
Represents performance-based awards, payable in shares, granted under the Carriage Services, Inc. Second Amended and Restated 2006 Long-Term Incentive Plan. The award will vest (if at all) on December 31, 2020 provided that certain criteria surrounding Adjusted Consolidated EBITDA (Adjusted Earnings Before Interest Tax Depreciation and Amortization) and Relative Shareholder Return performance is achieved and the Reporting Person has remained continuously employed by Carriage through such date. The Relative Shareholder Return performance represents 75% of the award and the Adjusted Consolidated EBITDA performance represents 25% of the award.
  - (5) Stock Options granted pursuant to the Carriage Services, Inc. Second Amended and Restated 2006 Long-Term Incentive Plan which vested 1/3 on 2/24/2016, 1/3 will vest on 2/24/2017 and 1/3 on 2/24/2018. These stock options expire on 2/24/2022.
  - (6) Stock Options granted pursuant to the Carriage Services, Inc. Second Amended and Restated 2006 Long-Term Incentive Plan which vested 1/3 on 3/3/2015, 1/3 on 3/3/2016 and 1/3 will vest on 3/3/2017. These stock options expire on 3/3/2019.
  - (7) Stock Options grant pursuant to the Carriage Services, Inc. Amended and Restated 2006 Long-Term Incentive Plan which vested 1/3 on 05/22/2014, 1/3 on 05/22/2015 and 1/3 on 05/22/2016. These stock options expire on 05/22/2018.  
Stock Options grant pursuant to the Carriage Services, Inc. Amended and Restated 2006 Long-Term Incentive Plan of 44,702 options granted on 02/28/2011, of which 14,900 options vested on 02/28/2012 and 3,283 were exercised on 12/20/2012, 14,901 options vested on 2/28/2013 and 14,000 were exercised on 11/06/2015 and 24,135 options were exercised on 3/29/16. These stock options expire on 02/28/2021.
  - (8) Stock Options grant pursuant to the Carriage Services, Inc. Amended and Restated 2006 Long-Term Incentive Plan of 44,702 options granted on 02/28/2011, of which 14,900 options vested on 02/28/2012 and 3,283 were exercised on 12/20/2012, 14,901 options vested on 2/28/2013 and 14,000 were exercised on 11/06/2015 and 24,135 options were exercised on 3/29/16. These stock options expire on 02/28/2021.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.