

HEARTLAND PAYMENT SYSTEMS INC
 Form 4
 March 04, 2014

FORM 4

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

OMB APPROVAL

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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 *
BALDWIN ROBERT H B JR

(Last) (First) (Middle)

C/O HEARTLAND PAYMENT SYSTEMS, INC., 90 NASSAU STREET

(Street)

PRINCETON, NJ 08542

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HEARTLAND PAYMENT SYSTEMS INC [HPY]

3. Date of Earliest Transaction (Month/Day/Year)
 03/01/2014

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)
 Vice Chairman and Interim CFO

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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock, par value \$0.001 per share | 03/01/2014 | | M | | 15,000 | A | \$ 0 |
| | | | | | 531,824 | D | (1) |
| Common Stock, par value \$0.001 per share | 03/01/2014 | | F(2) | | 5,072 | D | \$ 0 |
| | | | | | 526,752 | D | (1) |

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Common Stock, par value \$0.001 per share
 03/01/2014 M 23,884 A \$ 0 550,636 D ⁽¹⁾

Common Stock, par value \$0.001 per share
 03/01/2014 F⁽²⁾ 10,152 D \$ 0 540,484 D ⁽¹⁾

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

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| Restricted Stock Units | ⁽³⁾ | 03/01/2014 | | M ⁽⁴⁾ | 15,000 | ⁽⁵⁾ ⁽⁵⁾ | Common Stock | 15,000 |
| Restricted Stock Unit | ⁽³⁾ | 03/01/2014 | | M ⁽⁶⁾ | 23,884 | ⁽⁷⁾ ⁽⁷⁾ | Common Stock | 23,884 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BALDWIN ROBERT H B JR
 C/O HEARTLAND PAYMENT SYSTEMS, INC.
 90 NASSAU STREET
 PRINCETON, NJ 08542

Vice Chairman and Interim CFO

Signatures

/s/ Robert H.B.
Baldwin, Jr.

03/04/2014

__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).

(1) The Reporting Person is the direct beneficial owner of 540,484 shares of common stock of Heartland Payment Systems, Inc. (the "Issuer"), excluding 134.69 shares of common stock of the Issuer held in the Issuer's 401(k) plan. The Reporting Person is also the indirect beneficial owner of 91,325 shares of common stock of the Issuer which are held by the Margaret J. Sieck and Whitney H. Baldwin as Trustees for an Indenture created June 30, 2004. The Reporting Person disclaims beneficial ownership of the securities held in the Indenture, and this report shall not be deemed an admission that the Reporting Person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

(2) Shares were withheld from the reporting person, in an exempt transaction under Rule 16b-3, solely to satisfy tax obligations arising from the vesting of the restricted stock described in this Form 4.

(3) Each restricted stock unit represents a contingent right to receive one share of Heartland Payment System, Inc.'s (the "Issuer") common stock.

(4) Each restricted stock unit will vest 50% on March 1, 2013, 25% on March 1, 2014, and 25% on March 1, 2015 (subject to continued employment and certain change in control provisions) only if over the term of these restricted stock units, the following diluted earnings per share targets for the years ended December 31, 2012, 2013 and 2014 are achieved.: 2012: \$1.48 2013:\$1.74 2014: \$2.04 Diluted earnings per share will be calculated on a pro forma basis to exclude non-operating gains and losses, if any, and excluding the after-tax impact of stock compensation expense.

(5) The earnings per share target described in footnote (4) above was met for the year ended December 31, 2012 and, as a result, 50% of the restricted stock units vested on March 1, 2013. The earnings per share target described in footnote (4) above was met for the year ended December 31, 2013 and, as a result 25% of the restricted stock units vested on March 1, 2014.

(6) These performance based restricted stock units were granted on December 22, 2011 ("PSUs"). The PSUs vest 50% in 2014 and 50% in 2015, contingent upon the Company achieving a diluted earnings per share compound annual growth rate ("CAGR") of 17% for the two-year period ending December 31, 2013. Additionally, for each 1% that the CAGR actually achieved for the two year period that is above the 17% target, the number of shares underlying the PSUs awarded would be increased by 3.09%; provided, however, that the maximum increase in the number of shares that may be awarded could be is 100%.

(7) The resulting CAGR for the two-year period ending December 31, 2013 described in footnote (6) above exceeded the maximum performance target, resulting in holders earning the maximum 100% increase in PSUs awarded. As a result, 50% of the PSUs vested on March 1, 2014 and 50% will vest on March 1, 2015, subject to continued employment with the Issuer and certain change in control provisions.

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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