CERNER CORP /MO/
Form 4
March 16, 2015

FORM 4

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

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

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

OMB APPROVAL

OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Battaglioli Michael R.

(Last) (First) (Middle)

2800 ROCKCREEK PKWY

(Street)

NORTH KANSAS CITY, MO 64117

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CERNER CORP /MO/ [CERN]

3. Date of Earliest Transaction (Month/Day/Year)
03/12/2015

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP & Chief Accounting Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								2,235	I	by 401(k) Plan

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

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 control number.

SEC 1474 (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 Amo Underlying Secu (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Ar or Nu of
Non-Qualified Stock Option (right to buy)	$ 70.91	03/12/2015		A		8,500		03/12/2017 [(1)]	03/12/2025	Common Stock	8
Non-Qualified Stock Option (right to buy)	$ 21.3							03/12/2012	03/12/2020	Common Stock	6
Non-Qualified Stock Option (right to buy)	$ 25.8							03/11/2013	03/11/2021	Common Stock	1
Non-Qualified Stock Option (right to buy)	$ 38.43							03/09/2014	03/09/2022	Common Stock	1
Non-Qualified Stock Option (right to buy)	$ 44.615							03/01/2015	03/01/2023	Common Stock	1
Non-Qualified Stock Option (right to buy)	$ 60.37							03/07/2016	03/07/2024	Common Stock	8

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Battaglioli Michael R. 2800 ROCKCREEK PKWY NORTH KANSAS CITY, MO 64117			VP & Chief Accounting Officer	

Signatures

/s/Shane Dawson, by Power of Attorney	03/16/2015
**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)** Options are exercisable per the following schedule: 40% - 03/12/2017, 20% - 03/12/2018, 20% - 03/12/2019, 20% - 03/12/2020.
- **(2)** This transaction represents a grant of options to the reporting person by the issuer. Therefore, no consideration other than the value of services rendered was paid for the security.

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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Rating of Underlying Asset - As at 31.03.09	AAA/AA	A/BBB	Non- investment grade	Total
	£m	£m	£m	£m
2005 and earlier	-	-	140	140
2006	-	-	1,257	

1,257

2007 and 2008

-

-

520

520

High Grade

-

-

1,917

1,917

Mezzanine - 2005 and earlier

-

356

338

694

CDO [2] - 2005 and earlier

-

-

47

47

US RMBS

-

356

2,302

2,658

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B. Commercial Mortgages

In the period ended 31st March 2009 these exposures decreased by 4% in Sterling terms.

B1. Commercial Mortgages

Exposures in Barclays Capital's commercial mortgages portfolio, all of which are measured at fair value, comprised commercial real estate loan exposure of £10,924m (31st December 2008: £11,578m) and commercial mortgage-backed securities (CMBS) of £734m (31st December 2008: £735m). During the period there were gross losses of £468m and Sterling movement increased exposure by £31m. Gross sales and paydowns were £93m in the UK and Continental Europe and £357m in the US.

The commercial real estate loan exposure comprised 57% US, 39% UK and Europe and 4% Asia.

Two large transactions comprised 44% of the total US exposure. The remaining 56% of the US exposure comprised 72 transactions. The remaining weighted average number of years to initial maturity of the US portfolio is 1.3 years.

The UK and Europe portfolio is well diversified with 73 transactions in place as at 31st March 2009. In Europe protection is provided by loan covenants and periodic LTV retests, which cover 90% of the portfolio. 35% of the German exposure relates to one transaction secured on multifamily residential assets. Exposure to the Spanish market represents less than 1% of global exposure at 31st March 2009.

	As at 31.03.09	**As at 31.12.08**	**Marks at 31.03.09**	**Marks at 31.12.08**
Commercial Real Estate Loan Exposure by Region	£m	£m	%	%
US	6,209	6,329	88%	88%
Germany	2,309	2,467	92%	95%
France	253	270	90%	94%
Sweden	243	265	94%	96%
Switzerland	164	176	95%	97%
Spain	98	106	88%	92%
Other Continental Europe	491	677	67%	90%
UK	734	831	82%	89%
Asia	423	457	96%	97%
Total	**10,924**	**11,578**		

	As at 31.03.09	As at 31.12.08	Marks at 31.03.09 [1]	Marks at 31.12.08 [1]
Commercial Mortgage Backed Securities (Net of Hedges)	£m	£m	%	%
AAA securities	585	588	50%	42%
Other securities	149	147	11%	8%
Total	**734**	**735**		

1 Marks are based on gross collateral .

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B2. CMBS Exposure Wrapped by Monoline Insurers

The deterioration in the commercial mortgage market has resulted in increased exposure to monoline insurers and other financial guarantors that provide credit protection.

The table below shows Commercial Mortgage Backed Security (CMBS) assets where we held protection from monoline insurers at 31st March 2009. These are measured at fair value through profit and loss. Declines in fair value of the underlying assets are reflected in increases in the value of potential claims against monoline insurers. Such declines have been substantially offset by increases in credit valuation adjustments but have resulted in net exposure to monoline insurers under these contracts increasing to £1,972m by 31st March 2009 (31st December 2008: £1,854m).

Claims would become due in the event of default of the underlying assets and losses would only be realised if both the underlying asset and monoline defaulted. At 31st March 2009, while 82% of the underlying assets were rated AAA/AA, 98% are wrapped by monolines with non-investment grade ratings.

There is some uncertainty whether all of the monoline insurers would be able to meet all liabilities if such claims were to arise: certain monoline insurers were subject to downgrades in 2009. Consequently, a fair value loss of £416m was recognised in 2009. There have been no claims due under these contracts as none of the underlying assets were in default at 31st March 2009.

The fair value is determined by a credit valuation adjustment calculation which incorporates stressed cashflow shortfall projections, current market valuations, stressed Probability of Default (PDs) and a range of Loss Given Default (LGD) assumptions. The cashflow shortfall projections are stressed to ensure that we consider the potential for further market deterioration and resultant additional cashflow shortfall in underlying collateral, in addition, depending on the monoline and the underlying asset, we consider current market valuations. Monoline ratings are based on external ratings analysis and where appropriate significant internal analysis conducted by the independent Credit Risk function. In addition, we reflect the potential for further deterioration of monolines by using stressed PDs which results in most monolines having an implied sub-investment grade rating. LGDs range from 45% to 100% depending on the monoline.

Exposure by Credit Rating of Monoline Insurer

As at 31.03.09 **Notional**

		Fair Value of Underlying Asset	Fair Value Exposure	Credit Valuation Adjustment	Net Exposure
	£m	£m	£m	£m	£m
AAA/AA	69	27	42	(4)	38
A/BBB	-	-	-	-	-
Non-investment grade	3,753	1,013	2,740	(806)	1,934
Total	**3,822**	**1,040**	**2,782**	**(810)**	**1,972**
As at 31.12.08					
AAA/AA	69	27	42	(4)	38
A/BBB	3,258	1,301	1,957	(320)	1,637
Non-investment grade	425	181	244	(65)	179
Total	**3,752**	**1,509**	**2,243**	**(389)**	**1,854**

The notional value of the assets, split by the current rating of the monoline insurer, is shown below.

	AAA/AA	A/BBB	Non-investment grade	Total
Rating of Monoline Insurer - As at 31.03.09	£m	£m	£m	£m
2005 and earlier	-	-	445	445
2006	69	-	555	624
2007 and 2008	-	-	2,753	2,753
CMBS	**69**	**-**	**3,753**	**3,822**

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The notional value of the assets split by the current rating of the underlying asset is shown below.

	AAA/AA	A/BBB	Non-investment grade	Total
Rating of Underlying Asset - As at 31.03.09	£m	£m	£m	£m
2005 and earlier	-	445	-	445
2006	388	236	-	624
2007 and 2008	2,753	-	-	2,753
CMBS	**3,141**	**681**	**-**	**3,822**

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C. Other Credit Market Exposures

In the period ended 31st March 2009 these exposures decreased by 17% in Sterling terms.

C1. Leveraged Finance

Leveraged loans are classified within loans and advances and are stated at amortised cost less impairment. The overall credit quality of the assets remains satisfactory with the majority of the portfolio performing to plan or in line within original stress tolerances. There are however a small number of deteriorating positions and as a result the level of impairment has increased.

At 31st March 2009, the gross exposure relating to leveraged finance loans was £7,435m (31st December 2008: £10,506m) following a repayment of £3,056m at par in January 2009.

Leveraged Finance Exposure by Region	**As at 31.03.09**	**As at 31.12.08**
	£m	£m
UK	4,859	4,810
US	800	3,830
Europe	1,577	1,640
Asia	199	226
Total lending and commitments	**7,435**	**10,506**
Identified and unidentified impairment	(213)	(115)
Net lending and commitments at period end	**7,222**	**10,391**

C2. SIVs and SIV-Lites

	As at 31.03.09	**As at 31.12.08**	**Marks at 31.03.09**	**Marks at 31.12.08**
	£m	£m	%	%
Liquidity facilities	669	679	61%	62%
Bond inventory	-	11	0%	7%
Derivatives	259	273		
Total	**928**	**963**		

SIV exposure decreased from £963m to £928m during the period. There was £12m of impairment in the period.

At 31st March 2009 liquidity facilities of £669m (31st December 2008: £679m) include £531m designated at fair value through profit and loss. The remaining £138m represented drawn liquidity facilities in respect of SIV-Lites and SIVs classified as loans and advances stated at cost less impairment.

Bond inventory and derivatives are fair valued through profit and loss.

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C3. CDPC Exposure

Credit derivative product companies ("CDPCs") are specialist providers of credit protection principally on corporate exposures in the form of credit derivatives. The Group has purchased protection from CDPCs against a number of securities with a notional value of £1,746m (31st December £1,772m). The fair value of the exposure to CDPCs at 31st March 2009 was £166m (31st December 2009: £150m). There were £6m of gross losses in the period with no new trading activity since 31 December 2008.

Of the notional exposure, 46% (31st December 2009: 45%) related to AAA/AA rated counterparties, with the remainder rated A/BBB.

Exposure by Credit Rating of CDPC

As at 31.03.09	Notional	Gross Exposure	Total Write-downs	Net Exposure
	£m	£m	£m	£m
AAA/AA	811	90	(20)	70
A/BBB	935	96	-	96
Total	**1,746**	**186**	**(20)**	**166**

As at 31.12.08	Notional	Gross Exposure	Total Write-downs	Net Exposure
	£m	£m	£m	£m
AAA/AA	796	77	(14)	63
A/BBB	976	87	-	87
Total	**1,772**	**164**	**(14)**	**150**

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C4. CLO and Other Exposure Wrapped by Monoline Insurers

The table below shows Collateralised Loan Obligations (CLOs) and other assets where we held protection from monoline insurers at 31st March 2009. The deterioration in markets for these assets has resulted in increased exposure to monoline insurers and other financial guarantors that provide credit protection. These are measured at fair value through profit and loss. Declines in fair value of the underlying assets are reflected in increases in the value of potential claims against monoline insurers. Such declines have resulted in net exposure to monoline insurers under these contracts increasing to £5,405m by 31st March 2009 (31st December 2008: £4,939m).

Claims would become due in the event of default of the underlying assets and losses would only be realised if both the underlying asset and monoline defaulted. At 31st March 2009, 99% of the underlying assets have investment grade ratings and 63% are wrapped by monolines with investment grade ratings. 88% of the underlying assets were CLOs, 99% all of which were rated AAA/AA.

There is some uncertainty whether all of the monoline insurers would be able to meet all liabilities if such claims were to arise: certain monoline insurers were subject to downgrades in 2009. Consequently, a fair value loss of £388m was recognised in 2009. There have been no claims due under these contracts as none of the underlying assets were in default at 31st March 2009.

The fair value is determined by a credit valuation adjustment calculation which incorporates stressed cashflow shortfall projections, current market valuations, stressed Probability of Default (PDs) and a range of Loss Given

Default (LGD) assumptions. The cashflow shortfall projections are stressed to ensure that we consider the potential for further market deterioration and resultant additional cashflow shortfall in underlying collateral, in addition, depending on the monoline and the underlying asset, we consider current market valuations. Monoline ratings are based on external ratings analysis and where appropriate significant internal analysis conducted by the independent Credit Risk function. In addition, we reflect the potential for further deterioration of monolines by using stressed PDs for non-AAA rated monolines, which results in most other monolines having an implied sub-investment grade rating. LGDs range from 45% to 100% depending on the monoline.

Exposure by Credit Rating of Monoline Insurer

As at 31.03.09	**Notional**	**Fair Value of Underlying Asset**	**Fair Value Exposure**	**Credit Valuation Adjustment**	**Net Exposure**
	£m	£m	£m	£m	£m
AAA/AA	8,293	5,478	2,815	(79)	2,736
A/BBB	4,886	3,403	1,483	(243)	1,240
Non-investment grade	7,722	5,377	2,345	(916)	1,429
Total	**20,901**	**14,258**	**6,643**	**(1,238)**	**5,405**
As at 31.12.08					
AAA/AA	8,281	5,854	2,427	(55)	2,372
A/BBB	6,446	4,808	1,638	(204)	1,434
Non-investment grade	6,148	4,441	1,707	(574)	1,133
Total	**20,875**	**15,103**	**5,772**	**(833)**	**4,939**

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The notional value of the assets, split by the current rating of the monoline insurer, is shown below.

Rating of Monoline Insurer - As at 31.03.09	**AAA/AA**	**A/BBB**	**Non-investment grade**	**Total**
	£m	£m	£m	£m
2005 and earlier	2,091	1,212	2,756	6,059
2006	1,811	1,874	2,277	5,962
2007 and 2008	3,329	1,363	1,579	6,271
CLOs	**7,231**	**4,449**	**6,612**	**18,292**
2005 and earlier	131	-	718	849
2006	146	-	392	538
2007 and 2008	785	437	-	1,222
TRUPs, European Mezz ABS and other	**1,062**	**437**	**1,110**	**2,609**
Total	**8,293**	**4,886**	**7,722**	**20,901**

The notional value of the assets split by the current rating of the underlying asset is shown below. Of the underlying assets, 99% had investment grade ratings as at 31st March 2009.

Rating of Underlying Asset - As at 31.03.09	**AAA/AA**	**A/BBB**	**Non-investment grade**	**Total**
	£m	£m	£m	£m
2005 and earlier	5,941	-	118	6,059
2006	5,962	-	-	5,962
2007 and 2008	6,271	-	-	6,271
CLOs	**18,174**	**-**	**118**	**18,292**
2005 and earlier	-	760	89	849
2006	134	317	87	538
2007 and 2008	437	785	-	1,222
TRUPs, European Mezz ABS and Other	**571**	**1,862**	**176**	**2,609**
Total	**18,745**	**1,862**	**294**	**20,901**

Own Credit

The carrying amount of issued notes that are designated under the IAS 39 fair value option is adjusted to reflect the effect of changes in own credit spreads. The resulting gain or loss is recognised in the income statement.

At 31st March 2009, the own credit adjustment arose from the fair valuation of £54.2bn of Barclays Capital structured notes (31st December 2008: £54.5bn). The widening of Barclays credit spreads in the period affected the fair value of these notes and as a result revaluation gains of £279m were recognised in trading income (2008: £703m).

- ENDS -