

Sousa Michael  
Form 4  
May 17, 2018

**FORM 4**

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

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Sousa Michael

(Last) (First) (Middle)

209 10TH AVE. SOUTH, SUITE  
450

(Street)

NASHVILLE, TN 37203

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

HEALTHSTREAM INC [HSTM]

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

05/15/2018

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 \_\_\_\_ Other (specify  
below) below)

Senior Vice President

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|--|--|--|---|
| Common<br>Stock                       |   |   | Code V                               | Amount (D) Price   | 13,830   | D  |   |

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  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |        | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                    |                 |                                    |
|---|--|---|---|--------------------------------------|--|--|--------|---|--------------------|-----------------|------------------------------------|
|   |  |   |   | Code                                 | V  | (A)  | (D)    | Date<br>Exercisable   | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Share |
| Restricted<br>Share<br>Units                        | \$ 0 <sup>(1)</sup>  | 05/15/2018                              |   | D                                    |  |  | 11,250 | <sup>(2)</sup>  | <sup>(3)</sup>     | Common<br>Stock | 11,250                             |
| Restricted<br>Share<br>Units                        | \$ 0 <sup>(1)</sup>  | 05/15/2018                              |   | D                                    |  |  | 5,000  | <sup>(4)</sup>  | <sup>(3)</sup>     | Common<br>Stock | 5,000                              |
| Restricted<br>Share<br>Units                        | \$ 0 <sup>(1)</sup>  | 05/15/2018                              |   | D                                    |  |  | 4,250  | <sup>(5)</sup>  | <sup>(3)</sup>     | Common<br>Stock | 4,250                              |
| Restricted<br>Share<br>Units                        | \$ 0 <sup>(1)</sup>  | 05/15/2018                              |   | A                                    |  | 35,000   |        | <sup>(6)</sup>  | <sup>(3)</sup>     | Common<br>Stock | 35,000                             |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| Sousa Michael<br>209 10TH AVE. SOUTH<br>SUITE 450<br>NASHVILLE, TN 37203 |               |           | Senior Vice President |       |

## Signatures

Michael Sousa                      05/17/2018

                                          Date

\*\*Signature of  
Reporting Person

## 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) Each restricted share unit (RSU) represents the contingent right to receive one share of common stock upon vesting of the unit.

Represents the cancellation of unvested performance-based RSUs granted to the reporting person on September 24, 2015, which were

(2) eligible to vest based on certain annual financial performance criteria for the years ended December 31, 2018 and 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.

(3) Not applicable.

Represents the cancellation of unvested performance-based RSUs granted to the reporting person on September 24, 2015, which were

(4) eligible to vest based on certain financial performance criteria for the five years ended December 31, 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.

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- Represents the cancellation of unvested performance-based RSUs granted to the reporting person on December 8, 2016, which were
- (5) eligible to vest based on certain financial performance criteria for the three years ended December 31, 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.

Vesting of these RSUs is contingent upon continued service at the time of vesting and the achievement of certain performance criteria. The performance criteria will be established on an annual basis by the Compensation Committee of the Board of Directors. Up to 10% vest on March 15, 2019 for the period January 1, 2018 through December 31, 2018; up to 15% vest on March 15, 2020 for the period

- (6) January 1, 2019 through December 31, 2019; up to 20% vest on March 15, 2021 for the period January 1, 2020 through December 31, 2020; up to 25% vest on March 15, 2022 for the period January 1, 2021 through December 31, 2021; and up to 30% vest on March 15, 2023 for the period January 1, 2022 through December 31, 2022. Vesting will be determined based on actual performance. RSUs that do not vest during a performance period may become eligible for vesting during the next performance period.

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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