

VARMA VIKRAM
Form 4
August 22, 2018

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 *
VARMA VIKRAM

(Last) (First) (Middle)

C/O VERIFONE SYSTEMS, INC., 88 WEST PLUMERIA DRIVE

(Street)

SAN JOSE, CA 95134

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

VERIFONE SYSTEMS, INC. [PAY]

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

08/20/2018

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 below) ___ Other (specify below)
General Counsel and Secretary

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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock, par value \$0.01 per share | 08/20/2018 | | D | | 45,733 | D | 0 |

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

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 23 | 08/20/2018 | | D | 25,000 | <u>(8)</u> 10/01/2020 | Common Stock, par value \$0.01 per share | 25,000 |
| Stock Option (right to buy) | \$ 17.68 | 08/20/2018 | | D | 5,000 | 08/20/2018 ⁽²⁾⁽³⁾ 01/02/2025 | Common Stock, par value \$0.01 per share | 5,000 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0 | 08/20/2018 | | D | 8,153 | 08/20/2018 ⁽⁵⁾ <u>(5)</u> | Common Stock, par value \$0.01 per share | 8,153 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0 | 08/20/2018 | | D | 2,392 | 08/20/2018 ⁽⁵⁾ <u>(5)</u> | Common Stock, par value \$0.01 per share | 2,392 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0 | 08/20/2018 | | D | 3,301 | 08/20/2018 ⁽⁵⁾ <u>(5)</u> | Common Stock, par value \$0.01 per share | 3,301 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0 | 08/20/2018 | | D | 14,122 | 08/20/2018 ⁽⁵⁾ <u>(5)</u> | Common Stock, par value \$0.01 per share | 14,122 |
| Restricted Stock Units ⁽⁴⁾ | \$ 0 | 08/20/2018 | | D | 14,122 | 08/20/2018 ⁽⁵⁾ <u>(5)</u> | Common Stock, par value \$0.01 per share | 14,122 |

| | | | | | | | |
|---------------------------------------|------|------------|---|--------|---------------------------|----------------|---|
| Restricted Stock Units ⁽⁶⁾ | \$ 0 | 08/20/2018 | D | 11,404 | 08/20/2018 ⁽⁷⁾ | ⁽⁷⁾ | share Common Stock, par value \$0.01 per share |
|---------------------------------------|------|------------|---|--------|---------------------------|----------------|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| VARMA VIKRAM C/O VERIFONE SYSTEMS, INC. 88 WEST PLUMERIA DRIVE SAN JOSE, CA 95134 | | | General Counsel and Secretary | |

Signatures

/s/ Vikram Varma 08/21/2018

^{**}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) At the effective time of the merger contemplated by the Agreement and Plan of Merger, dated as of April 9, 2018, by and among VeriFone Systems, Inc. (the "Company"), Vertex Holdco LLC, and Vertex Merger Sub LLC (the "Effective Time"), (a) each issued and outstanding share of common stock of the Company (each, a "Share") (other than 17,500 issued and outstanding Shares that were rolled over into common units of Vertex Holdco LLC ("Rollover Stock Awards")) held by Mr. Varma was converted into the right to receive \$23.04 in cash, without interest; and (b) each Rollover Stock Award was cancelled and converted into 17,500 shares of common units of Vertex Holdco LLC.

(2) At the Effective Time, (a) each outstanding vested option (or vested portion thereof) to purchase Shares (each, a "Vested Company Option") was cancelled and converted into the right to receive (without interest), no later than three business days after the Effective Time, an amount in cash equal to the product obtained by multiplying (i) the total number of Shares subject to such Vested Company Option immediately prior to the Effective Time by (ii) the excess, if any, of \$23.04 over the exercise price per Share of such Vested Company Option, less withholding taxes; and (b) each outstanding unvested option (or unvested portion thereof) to purchase Shares (each, an "Unvested Company Option") was cancelled and converted into the right to receive an amount in cash, without interest, equal to the product obtained by multiplying (i) the total number of Shares subject to such Unvested Company Option immediately prior to the Effective Time by (ii) the excess, if any,

(3) (Continued from Footnote 2) of (A) \$23.04 over (B) the exercise price per Share of such Unvested Company Option less withholding taxes, which remains subject to the same vesting schedule that applied to such Unvested Company Option immediately prior to the Effective Time.

(4) Represents restricted stock units subject only to service-based vesting conditions (a "Company RSU") under the Company's stock plans.

(5) At the Effective Time, each outstanding Company RSU under the Company's stock plans was converted into the right to receive an amount in cash (without interest) equal to the product obtained by multiplying (i) the total number of Shares subject to such Company RSU immediately prior to the Effective Time by (ii) \$23.04, less withholding taxes, and otherwise remains subject to the same vesting schedule that applied immediately prior to the Effective Time.

(6) Represents restricted stock units subject to performance-based vesting conditions (a "Company P-RSU") under the Company's stock plans.

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- At the Effective Time, each outstanding Company P-RSU was converted into the right to receive an amount in cash (without interest)
- (7) equal to the product obtained by multiplying (i) the total number of Shares subject to such Company P-RSU immediately prior to the Effective Time based on the actual performance through the Effective Time by (ii) \$23.04, less withholding taxes, and otherwise remains subject to the same vesting schedule that applied immediately prior to the Effective Time.
- (8) The Vested Company Options underlying this grant are fully exercisable as they previously vested.

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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