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HEARTLAND PAYMENT SYSTEMS INC Form 4 March 04, 2015 OMB APPROVAL FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION OMB 3235-0287 Washington, D.C. 20549 Number: Check this box January 31, Expires: if no longer 2005 STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to Estimated average **SECURITIES** Section 16. burden hours per Form 4 or response... 0.5 Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction 1(b). (Print or Type Responses) 1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Kallenbach Charles Issuer Symbol HEARTLAND PAYMENT (Check all applicable) SYSTEMS INC [HPY] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner Other (specify X_Officer (give title (Month/Day/Year) below) below) 90 NASSAU STREET, 2ND 03/01/2015 Chief Legal Officer, GC & Sec. **FLOOR** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person _ Form filed by More than One Reporting PRINCETON, NJ 08542 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 6. Ownership 7. Nature of 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of Securities Form: Direct Indirect (Instr. 3) any Code (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Ownership (Month/Day/Year) (Instr. 8) Owned Indirect (I) (Instr. 4) Following (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Price Code V (D) Amount Common 03/01/2015 \$0 D Μ 1,500 Α 7,544 Stock Common 03/01/2015 $F^{(1)}$ 551 D 6.993 D \$0 Stock Common \$0 03/01/2015 Μ 16,720 А 23,713 D Stock Common $F^{(1)}$ 03/01/2015 5.252 D \$0 18.461 D Stock Common 03/01/2015 Μ 715 \$0 19,176 D A

Stock

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 $F^{(1)}$

Common 03/01/2015 Stock

225 D \$0 18,951

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. Transactio Code (Instr. 8)	5. Number of onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. 1 De Se (In
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Unit	(2)	03/01/2015		M <u>(3)</u>	1,500	(4)	(4)	Common Stock	1,500	
Restricted Stock Units	(2)	03/01/2015		M <u>(5)</u>	16,720	<u>(6)</u>	(6)	Common Stock	16,720	
Restricted Stock Unit	(2)	03/01/2015		M <u>(7)</u>	715	<u>(8)</u>	(8)	Common Stock, par value \$0.001 per share	715	

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Kallenbach Charles 90 NASSAU STREET, 2ND FLOOR PRINCETON, NJ 08542			Chief Legal Officer, GC & Sec.			
Signatures						
Edythe Katz Nipper, Attorney in Fact	03/04	/2015				
**Signature of Reporting Person	Da	ate				

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) 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.
- (2) Each restricted stock unit represents a contingent right to receive one share of Heartland Payment Systems, Inc.'s (the "Issuer") Common Stock.

These performance based stock units were granted on December 10, 2010 ("PSUs"). 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)
(3) only if over the term of these performance based restricted stock units, the following diluted earnings per share targets for the years ended

(3) only if over the term of these performance based 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.

The earnings per share target described in footnote (3) 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 (3) above was met for the year ended

(4) December 31, 2013 and, as a result 25% of the restricted stock units vested on March 1, 2014. The earnings per share target described in footnote (3) above was met for the year ended December 31, 2014 and, as a result 25% of the restricted stock units vested on March 1, 2015.

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
(5) 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%.

The resulting CAGR for the two-year period ending December 31, 2013 described in footnote (5) above exceeded the maximum
(6) 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% vested on March 1, 2015.

These performance based restricted stock units were granted on December 10, 2012 ("PSUs"). The PSUs vest 50% in 2015 and 50% in 2016, contingent upon the Company achieving a diluted earnings per share compound annual growth rate ("CAGR") of 15% for the

(7) two-year period ending December 31, 2014. Additionally, for each 1% that the CAGR actually achieved for the two-year period ending on December 31, 2014 is below the 15% target, the number of shares underlying the performance share units granted would be decreased by 1.31%.

The resulting CAGR for the two-year period ending December 31, 2014 described in footnote (7) above was below target performance.

(8) As a result, the underlying performance shares granted on December 10, 2012 was decreased and 23.2% of the PSUs were earned; 50% of the earned PSUs (11.6%) vested on March 1, 2015 and the remaining 50% of the earned PSUs (11.6%) 11.6% will vest on March 1, 2016 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. 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.