

ATHENAHEALTH INC

Form 4

March 06, 2017

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 *
KAHANE STEPHEN N

(Last) (First) (Middle)

**C/O ATHENAHEALTH, INC., 311
ARSENAL STREET**

(Street)

WATERTOWN, MA 02472

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
ATHENAHEALTH INC [ATHN]

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

03/01/2017

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)

EVP Client Organization

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)
Common Stock	03/01/2017		A	Amount (1) 1,634	(A) or (D) A \$ 0	36,213 (2) (3)	D
Common Stock	03/01/2017		F	531	D \$ 117.22	35,682	D
Common Stock	03/01/2017		A	1,168 (4)	A \$ 0	36,850	D
Common Stock	03/01/2017		F	550	D \$ 117.22	36,300	D
Common Stock	03/01/2017		A	4,710 (5)	A \$ 0	41,010	D

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Common Stock	03/01/2017	F	2,217	D	\$ 117.22	38,793	D
Common Stock	03/01/2017	F	630	D	\$ 117.22	38,163	D
Common Stock	03/01/2017	F	609	D	\$ 117.22	37,554	D
Common Stock	03/01/2017	F	2,276	D	\$ 117.22	35,278 ⁽⁶⁾	D

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

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(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 Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAHANE STEPHEN N C/O ATHENAHEALTH, INC. 311 ARSENAL STREET WATERTOWN, MA 02472			EVP Client Organization	

Signatures

/s/ Lan Marinelli
Attorney-in-Fact
03/06/2017

__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).

On March 3, 2014, the Reporting Person was awarded 6,534 Performance Stock Units ("PSUs"). The PSUs convert to common stock on a one-for-one basis and vest in four equal annual installments beginning on March 1, 2015 based on the Issuer's satisfaction of certain performance criteria for the fiscal year ending December 31, 2014. On February 10, 2015, the Compensation Committee of the Board of Directors of the Issuer certified that the performance criteria for 2014 was met, resulting in vesting of the PSUs as to 1,634 shares on March 1, 2017.

- (1) Includes 111 shares purchased pursuant to the Issuer's 2007 Employee Stock Purchase Plan on April 1, 2016, which transaction is considered exempt pursuant to Rule 16b-3(c) promulgated under the Securities Exchange Act of 1934.

- (2) Includes 15,000 Restricted Stock Units ("RSUs") that are subject to time-based vesting and will be settled only in stock. The unvested RSUs were previously reported by the Reporting Person as derivative securities. Effective March 1, 2017, the Reporting Person has determined to report RSU awards that are subject to time-based vesting and settled in stock as non-derivative securities in his ownership reports.

- (3) On March 2, 2015, the Reporting Person was awarded 4,670 PSUs. The PSUs convert to common stock on a one-for-one basis and vest in four equal annual installments beginning on March 1, 2016 based on the Issuer's satisfaction of certain performance criteria for the fiscal year ending December 31, 2015. On February 9, 2016, the Compensation Committee of the Board of Directors of the Issuer certified that the performance criteria for 2015 was met, resulting in vesting of the PSUs as to 1,168 shares on March 1, 2017.

- (4) On March 1, 2016, the Reporting Person was awarded 17,677 PSUs. The PSUs convert to common stock on a one-for-one basis and vest in three equal annual installments beginning on March 1, 2017 based on the Issuer's satisfaction of certain performance criteria for the fiscal years ending December 31, 2016, 2017, and 2018. On February 7, 2017, the Compensation Committee of the Board of Directors of the Issuer certified that the performance criteria for 2016 was met, resulting in vesting of PSUs as to 4,710 shares on March 1, 2017.

- (5) 11,875 of these securities are units of common stock granted pursuant to RSU awards. The units are subject to time-based vesting.

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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