

TSS, Inc.
Form 4
September 03, 2014

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Penver John K

(Last) (First) (Middle)
C/O TSS, INC., 7226 LEE
DEFOREST DRIVE, SUITE 104
(Street)

COLUMBIA, MD 21046

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
TSS, Inc. [TSSI]

3. Date of Earliest Transaction (Month/Day/Year)
08/29/2014

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)
Chief Financial 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 08/29/2014 | | A | | 250,000 (1) | A | \$ 0 (2) |
| | | | | | 250,000 | 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 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)

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| 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 | 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) | | |
|--|--|--------------------------------------|--|---------------------|---|--|---|--------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option | (3) | 08/29/2014 | | A | 200,000 | (4) | 08/29/2024 | Common Stock | 200,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Penver John K C/O TSS, INC. 7226 LEE DEFOREST DRIVE, SUITE 104 COLUMBIA, MD 21046 | | | Chief Financial Officer | |

Signatures

/s/ John K. Penver 09/03/2014

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).
- These shares of common stock represent restricted stock granted pursuant to an award agreement between Mr. Penver and the Issuer and are subject to forfeiture. The restricted stock awarded will vest in installments as follows: (1) 50,000 shares will vest on September 29, 2014, (2) 100,000 shares will vest on August 29, 2015, and (3) 100,000 shares will vest on August 29, 2016. All unvested shares of restricted stock will vest upon a change of control of the Issuer and an amount of up to 100,000 shares of restricted stock will vest in certain instances upon the termination of Mr. Penver's employment.
- (2) These shares of restricted stock were granted to Mr. Penver for his services as the Chief Financial Officer of the Issuer.
 - (3) The exercise price is equal to the average of the high and low bid prices for the Issuer's common stock reported daily on the OTCQB marketplace during the 20 trading days following August 29, 2014.
- The option becomes exercisable in installments as follows: (1) 100,000 shares become exercisable when the fair market value of the Issuer's common stock is at least \$2.00 for 20 consecutive business days, and (2) 100,000 shares become exercisable when the fair market value of the Issuer's common stock is at least \$3.00 for 20 consecutive business days. The option will become immediately exercisable upon the occurrence of a change in control of the Issuer that occurs on or after August 29, 2015.

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.