

FORTINET INC
Form 4
November 04, 2014

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 *
Xie Michael

(Last) (First) (Middle)

C/O FORTINET, INC., 899 KIFER
ROAD

(Street)

SUNNYVALE, CA 94086

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
FORTINET INC [FTNT]

3. Date of Earliest Transaction
(Month/Day/Year)
11/01/2014

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below)

VP, Engineering & CTO

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/01/2014		M ⁽¹⁾		1,042	A	\$ 0	6,567,442	D	
Common Stock	11/01/2014		M ⁽²⁾		2,500	A	\$ 0	6,569,942	D	
Common Stock	11/01/2014		F ⁽³⁾		1,332	D	\$ 26.05	6,568,610	D	
Common Stock	11/04/2014		S ⁽⁴⁾		2,210	D	\$ 26.21	6,566,400	D	
Common Stock	11/04/2014		S ⁽⁴⁾		25,000 ⁽⁵⁾	D	\$ 26.375 ⁽⁶⁾	6,541,400	D	

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Common Stock	11/04/2014	M	50,000	A	\$ 3.735	6,591,400	D	
Common Stock	11/04/2014	S	50,000 (5)	D	\$ 26.3781 (7)	6,541,400	D	
Common Stock	11/04/2014	S ⁽⁴⁾	20,000 (5)	D	\$ 26.3887 (8)	562,488	I	See footnote (9)
Common Stock						2,668,756	I	See footnote (10)
Common Stock						2,668,756	I	See footnote (11)

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 Security (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Restricted Stock Units	\$ 0 ⁽¹²⁾	11/01/2014		M ⁽¹⁾	1,042	⁽¹³⁾ ⁽¹³⁾	Common Stock	1,042
Restricted Stock Units	\$ 0 ⁽¹²⁾	11/01/2014		M ⁽²⁾	2,500	⁽¹⁴⁾ ⁽¹⁴⁾	Common Stock	2,500
Non-qualified stock option (right to buy)	\$ 3.735	11/04/2014		M	50,000	⁽¹⁵⁾ 02/07/2015	Common Stock	50,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

Xie Michael
C/O FORTINET, INC.
899 KIFER ROAD
SUNNYVALE, CA 94086

X

VP, Engineering & CTO

Signatures

/s/ John Whittle, by power of
attorney

11/04/2014

__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).
- (1) Vesting of restricted stock units ("RSUs") granted to the Reporting Person on August 8, 2012.
- (2) Vesting of RSUs granted to the Reporting Person on February 13, 2013.
- (3) Exempt transaction pursuant to Section 16b-3(e) - payment of exercise price or tax liability by delivering or withholding securities incident to the receipt, exercise or vesting of a security issued in accordance with Rule 16b-3. All of the shares reported as disposed of on this line were relinquished by the Reporting Person and cancelled by the Issuer in exchange for the Issuer's agreement to pay federal and state tax withholding obligations of the Reporting Person resulting from the vesting of RSUs.
- (4) The transaction reported on this line was effected pursuant to Rule 10b5-1 trading plans adopted by the Reporting Person.
- (5) Represents the aggregate of sales effected on the same day at different prices.
- (6) Represents the weighted average sales price per share. The shares sold at prices ranging from \$26.05 to \$26.49 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
- (7) Represents the weighted average sales price per share. The shares sold at prices ranging from \$26.06 to \$26.49 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
- (8) Represents the weighted average sales price per share. The shares sold at prices ranging from \$26.13 to \$26.53 per share. Full information regarding the number of shares sold at each price shall be provided upon request to the staff of the U.S. Securities and Exchange Commission, the Issuer, or a security holder of the Issuer.
- (9) Shares held directly by The K.A. Children's Trust dated February 9, 2011, for which the Reporting Person serves as a trustee.
- (10) Shares held directly by the 2014 Michael Xie Grantor Retained Annuity Trust dated March 6, 2014, for which the Reporting Person serves as a trustee.
- (11) Shares held directly by the 2014 Danke Wu Grantor Retained Annuity Trust dated March 6, 2014, for which the Reporting Person serves as a trustee.
- (12) Each RSU represents a contingent right to receive one share of the Issuer's common stock.
- (13) 25% of the RSUs vested on August 1, 2013, then the remaining 75% of the RSUs vest in equal installments on each quarterly anniversary thereafter, until such time as the RSUs are 100% vested, subject to the continuing employment of the Reporting Person on each vesting date. Shares of the Issuer's common stock will be delivered to the Reporting Person upon vesting.
- (14) 25% of the RSUs vested on February 1, 2014, then the remaining 75% of the RSUs vest in equal installments on each quarterly anniversary thereafter, until such time as the RSUs are 100% vested, subject to the continuing employment of the Reporting Person on each vesting date. Shares of the Issuer's common stock will be delivered to the Reporting Person upon vesting.
- (15) The option is 100% vested and exercisable.

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.