

FOSS ERIC J
Form 4
March 02, 2010

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 *
FOSS ERIC J

(Last) (First) (Middle)
700 ANDERSON HILL RD.
(Street)

PURCHASE, NY 10577

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PEPSICO INC [PEP]

3. Date of Earliest Transaction (Month/Day/Year)
02/26/2010

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)
CEO, Pepsi Beverages Company

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 or Price | | |
| Common Stock | 02/26/2010 | | A | | 12,888 | A | (1) 13,524 D |
| Common Stock | 02/26/2010 | | A | | 262,094 | A | (2) 275,618 D |
| Common Stock | 02/26/2010 | | F | | \$ 121,143 | A | (6) 154,475 D |
| Common Stock | 02/26/2010 | | A | | 3,034 | A | (3) 3,034 I |

By 401(k) Plan (3)

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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options | \$ 55.01 | 02/26/2010 | | A | 122,792 | <u>(7)</u> | 07/23/2016 | Common Stock | 122,792 |
| Stock Options | \$ 50.25 | 02/26/2010 | | A | 40,599 | <u>(7)</u> | 02/28/2017 | Common Stock | 40,599 |
| Stock Options | \$ 55.92 | 02/26/2010 | | A | 89,868 | <u>(7)</u> | 02/28/2018 | Common Stock | 89,868 |
| Stock Options | \$ 47.08 | 02/26/2010 | | A | 245,585 | <u>(7)</u> | 10/01/2018 | Common Stock | 245,585 |
| Stock Options | \$ 30.5 | 02/26/2010 | | A | 245,980 | <u>(7)</u> | 02/28/2019 | Common Stock | 245,980 |
| Phantom Stock Units | <u>(5)</u> | 02/26/2010 | | A | 60,040 | <u>(5)</u> | <u>(5)</u> | Common Stock | 60,040 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| FOSS ERIC J 700 ANDERSON HILL RD. PURCHASE, NY 10577 | | | CEO, Pepsi Beverages Company | |

Signatures

/s/ Thomas H. Tomoney, as
Attorney-in-Fact

03/02/2010

 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).

For Common stock: Represents shares of PepsiCo common stock received in exchange for the reporting person's Pepsi Bottling Group, Inc. ("PBG") common stock upon completion of the merger of PBG with and into Pepsi-Cola Metropolitan Bottling Company, Inc.

- (1) ("Metro), a wholly owned subsidiary of PepsiCo, Inc. ("PepsiCo") pursuant to the Agreement and Plan of Merger, dated as of August 3, 2009 among PBG, PepsiCo and Metro (the "Merger"). Pursuant to the terms of the merger agreement, at the effective time of the Merger on February 26, 2010, the reporting person received cash consideration for approximately 49.4% of his shares of PBG common stock and shares of PepsiCo common stock for approximately 50.6% of his shares of PBG common stock

For RSUs: Represents PepsiCo restricted stock units ("RSUs") received upon conversion of the reporting person's PBG RSUs upon completion of the Merger. At the effective time of the Merger on February 26, 2010, each PBG RSU award was converted into the right to receive a number of shares of PepsiCo common stock equal to the product of (a) 0.6432 and (b) the number of shares of PBG common stock subject to the PBG RSU award, rounded down to the nearest whole share. Each PepsiCo RSU represents the right to receive one share of PepsiCo common stock.

- (3) For 401(k) - Represents the approximate number of shares of PepsiCo common stock in the PBG 401(k) Plan received upon completion of the Merger in exchange for the reporting person's shares of PBG common stock that were held in the PBG common stock fund of the PBG 401(k) Plan. This number is based on the dollar value of the reporting person's holdings in the PBG common stock fund in the PBG 401(k) Plan as of February 25, 2010.

For Stock Options: Represents the PepsiCo stock options received upon conversion of the reporting person's PBG stock options upon completion of the Merger. At the effective time of the Merger on February 26, 2010, each PBG stock option was converted into an option to purchase the number of shares of PepsiCo common stock equal to the product of (a) the number of shares of PBG common stock subject to the PBG stock option and (b) the closing exchange ratio, rounded down to the nearest whole share. The exercise price of the converted PepsiCo stock option is equal to (i) the exercise price of the PBG stock option divided by (ii) the closing exchange ratio, rounded up to the nearest cent. The closing exchange ratio is equal the quotient of the closing price of a share of PBG common stock on February 25, 2010 (\$38.25) divided by the closing price of a share of PepsiCo common stock on February 25, 2010 (\$62.30).

- (5) For Phantom/EID: - Represents the approximate number of PepsiCo phantom stock units in the PBG Executive Income Deferral Program (the "EID Plan") received upon conversion of the reporting person's PBG phantom stock units that were held in the EID Plan. At the effective time of the Merger on February 26, 2010, the reporting person's EID Plan balance invested in the phantom PBG common stock fund as of February 25, 2010 was converted into an equivalent balance invested in the phantom PepsiCo common stock fund in the EID Plan.

- (6) For Withholding on RSU vesting: This number represents shares of PepsiCo Common Stock withheld to satisfy the tax withholding obligation due upon vesting of RSUs. Upon completion of the Merger, the reporting person's outstanding stock options and RSUs granted by PBG prior to the Merger that were converted into PepsiCo stock options and RSUs became fully vested, exercisable or settled, as applicable, pursuant to the terms of the retention agreement between the reporting person and PepsiCo, dated October 2, 2009.

- (7) For Date Exercisable Column for All Options: Upon completion of the Merger, the reporting person's outstanding stock options granted by PBG prior to the Merger that were converted into PepsiCo stock options became fully vested and exercisable pursuant to the terms of the retention agreement between the reporting person and PepsiCo, dated October 2, 2009.

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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