

OMB APPROVAL	
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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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Indaba Capital Management, L.P.</u> <hr/> (Last) (First) (Middle) ONE LETTERMAN DRIVE BUILDING D, SUITE DM700 <hr/> (Street) SAN FRANCISCO CA 94129 <hr/> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Benefitfocus, Inc. [BNFT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 01/24/2023	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	01/24/2023		D		3,963,694 ⁽²⁾⁽³⁾	D	\$10.5 ⁽³⁾	0	I	See Footnote ⁽¹⁾⁽²⁾
Common Stock	01/24/2023		D		17,890 ⁽¹⁾⁽²⁾⁽⁴⁾	D	\$10.5 ⁽³⁾	0	I	See Footnote ⁽¹⁾⁽²⁾
Common Stock	01/24/2023		D		20,726 ⁽¹⁾⁽²⁾⁽⁵⁾	D	\$10.5 ⁽³⁾	0	I	See Footnote ⁽¹⁾⁽²⁾

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person*
Indaba Capital Management, L.P.

 (Last) (First) (Middle)
 ONE LETTERMAN DRIVE
 BUILDING D, SUITE DM700

 (Street)
 SAN FRANCISCO CA 94129

 (City) (State) (Zip)

1. Name and Address of Reporting Person*
IC GP, LLC

 (Last) (First) (Middle)
 ONE LETTERMAN DRIVE,
 BUILDING D, SUITE DM700

 (Street)
 SAN FRANCISCO CA 94129

 (City) (State) (Zip)

(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
SCHRIER DEREK C		
(Last)	(First)	(Middle)
C/O INDABA CAPITAL MANAGEMENT, L.P. ONE LETTERMAN DR., BLDING D, SUITE DM700		
(Street)		
SAN FRANCISCO	CA	94129
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
Indaba Capital Fund, L.P.		
(Last)	(First)	(Middle)
ONE LETTERMAN DRIVE, BUILDING D, SUITE DM700		
(Street)		
SAN FRANCISCO	CA	94129
(City)	(State)	(Zip)

Explanation of Responses:

- Alexander Lerner served on the Issuer's Board of Directors (the "Board") as a representative of Indaba Capital Fund, L.P. (the "Fund") and its affiliates. Accordingly, Mr. Lerner does not have a right to any economic interest in securities of the Issuer granted to him by the Issuer in respect of his Board position. The Fund is entitled to receive all of the economic interest in securities granted to Mr. Lerner by the Issuer in respect of Mr. Lerner's Board position. Mr. Lerner disclaims beneficial ownership of the Issuer's securities to which this report relates and at no time has Mr. Lerner had any economic interest in such securities except any indirect economic interest through the Fund and its affiliates, entities for which he does not have a controlling interest and does not have investment control.
- Securities held directly by the Fund, or, as discussed in footnote (1), securities for which the Fund has all of the economic interest. Pursuant to an Investment Management Agreement, the Fund and its general partner have delegated all voting and investment power over the securities directly held by the Fund to Indaba Capital Management, L.P. (the "Investment Manager"). As a result, each of the Investment Manager, IC GP, LLC ("IC GP"), as the general partner of Investment Manager, and Derek Schrier, as Managing Member of IC GP, may be deemed to exercise voting and investment power over such securities.
- Shares of common stock disposed of in accordance with the terms of the Agreement and Plan of Merger, dated as of November 1, 2022, by and among the Company, Voya Financial, Inc. and Origami Squirrel Acquisition Corp (the "Merger Agreement"). Under the terms of the Merger Agreement, holders of the outstanding common stock received \$10.50 per share in cash (the "Per Share Common Stock Merger Consideration") at the effective date and time of the merger (the "Effective Time").
- These restricted stock units (the "RSUs"), which provided for vesting of one third of the total number of reported RSUs on each of the first, second, and third anniversaries of April 4, 2022, were cancelled in the merger in exchange for a cash payment of \$187,845, representing the number of shares of Common Stock subject to the RSU immediately prior to the Effective Time multiplied by (ii) the Per Share Common Stock Merger Consideration, less applicable taxes required to be withheld with respect to such payment.
- These RSUs, which provided for vesting of the total number of reported RSUs on the earlier of July 1, 2023 or the date of the Issuer's 2023 annual meeting of stockholders, were cancelled in the merger in exchange for a cash payment of \$217,623, representing the number of shares of Common Stock subject to such RSUs immediately prior to the Effective Time multiplied by (ii) the Per Share Common Stock Merger Consideration, less applicable taxes required to be withheld with respect to such payment.

Remarks:

Alexander Lerner, an Investment Partner at Indaba Capital Management, L.P., was a director of the Issuer. For purposes of Section 16 of the Securities Exchange Act of 1934, as amended, the reporting persons are deemed directors by deputization by virtue of their representation on the Board of Directors of the Issuer.

[Indaba Capital Management, L.P.; By: IC GP, LLC; By: /s/ Derek C. Schrier, Managing Member](#) [01/24/2023](#)
[IC GP, LLC; By: /s/ Derek C. Schrier, Managing Member](#) [01/24/2023](#)
[/s/ Derek C. Schrier](#) [01/24/2023](#)
[Indaba Capital Fund, L.P.; By: Indaba Partners, LLC, its general partner; By: /s/ Derek C. Schrier, Senior Managing Member](#) [01/24/2023](#)

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.