SEC Form 4

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

## 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* | 2. Issuer Name **and** Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) |
|---|---|---|
| Fini Annmarie | Benefitfocus, Inc. [ BNFT ] | Director ☐   10% Owner ☐ |
| (Last) (First) (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) | X Officer (give title below)   Other (specify below) ☐ |
| 100 BENEFITFOCUS WAY | 05/15/2020 | Exec. VP Customer Success Org. |
| (Street) | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) |
| CHARLESTON SC 29492 | | X Form filed by One Reporting Person |
| (City) (State) (Zip) | | ☐ 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 | 05/15/2020 | | M | | 5,000 | A | $5.38 | 79,848 | D | |

## 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 | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Stock Option (Right to Buy) | $5.38 | 05/15/2020 | | M | | | 5,000 | (1) | 07/01/2020 | Common Stock | 5,000 | $0.00 | 0 | D | |
| Stock Option (Right to Buy) | $10.3 | | | | | | | (2) | 10/01/2022 | Common Stock | 7,000 | | 7,000 | D | |
| Stock Option (Right to Buy) | $13.53 | | | | | | | (3) | 05/08/2023 | Common Stock | 2,000 | | 2,000 | D | |
| Performance Restricted Stock Units | (4) | | | | | | | (4) | 05/01/2021 | Common Stock | 8,713 | | 8,713 | D | |
| Performance Restricted Stock Units | (5) | | | | | | | (5) | 05/01/2023 | Common Stock | 39,211 | | 39,211 | D | |

**Explanation of Responses:**

1. This option was granted on July 1, 2010 and vested over a four-year period with one-fourth (1/4) of the option granted vesting on July 1, 2011, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.

2. This option was granted on October 1, 2012 and vested over a four-year period with one-fourth (1/4) of the option granted vesting on October 1, 2013, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.

3. This option was granted on May 8, 2013 and vested over a four-year period with one-fourth (1/4) of the option granted vesting on May 8, 2014, the first anniversary of the vesting commencement date, and the balance of the option granted vesting ratably on a monthly basis over the following 36 months.

4. Each performance restricted stock unit ("PRSU") represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. A percentage of the PRSUs will vest upon the achievement of an annual revenue goal and an adjusted EBITDA goal, during the period of January 1, 2020 through December 31, 2020. Vesting of the target level PRSUs will accelerate upon death or disability during the performance period in an amount equal to the proportion of days in the performance period worked. Vesting of the target PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

5. Each PRSU represents a contingent right to receive one share of Issuer common stock. The maximum number of PRSUs is presented in the table. The PRSUs will vest upon the achievement of software service revenue and adjusted EBITDA goals during the period of January 1, 2020 through December 31, 2020, such vesting to occur in three equal annual installments beginning on May 1, 2021, if the performance metrics are met. Vesting of the target level PRSUs will accelerate upon death or disability during the performance period in an amount equal to the proportion of days in the performance period worked. Vesting will also accelerate as to the next tranche of vesting units in the event of death or disability after the performance period. Vesting of the target PRSUs may also accelerate in certain circumstances if there is a change in control of the Issuer during the performance period.

**Remarks:**

/s/ S. Halle Vakani, Attorney-in-Fact      05/19/2020

** Signature of Reporting Person      Date