

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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) 07/01/2022	
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	07/01/2022		A <sup>(1)(2)</sup>		20,726 <sup>(1)(2)(3)</sup>	A	\$0 <sup>(1)(2)</sup>	4,002,310	I	See Footnotes <sup>(4)(5)</sup>

**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)		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)					

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


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


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 (Street)  
 SAN FRANCISCO CA 94129  


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 (City) (State) (Zip)

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


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


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 (Street)  
 SAN FRANCISCO CA 94129  


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 (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:**

1. On July 1, 2022, Benefitfocus, Inc. (the "Issuer") granted 20,726 restricted stock units ("RSUs") of the Issuer to Alexander Lerner, a member of the Issuer's Board of Directors (the "Board") in respect of his service on the Board. Mr. Lerner holds these RSUs for the benefit of Indaba Capital Fund, L.P. (the "Fund").
2. Because Mr. Lerner serves on the Board as a representative of the Fund and its affiliates, 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.
3. The total number of reported RSUs will vest on the earlier of July 1, 2023 or the date of the Issuer's 2023 annual meeting of stockholders, so long as Mr. Lerner remains a director through each such vesting date.
4. Securities held directly by the Fund, or, as discussed in footnote (2), 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.
5. Each of the Investment Manager, IC GP and Mr. Schrier disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

**Remarks:**

Alexander Lerner, an Investment Partner at Indaba Capital Management, L.P., is 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 deputation 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 07/06/2022  
IC GP, LLC; By: /s/ Derek C.  
Schrier, Managing Member 07/06/2022  
/s/ Derek C. Schrier 07/06/2022  
Indaba Capital Fund, L.P.; By:  
Indaba Partners, LLC, its  
general partner; By: /s/ Derek  
C. Schrier, Senior Managing  
Member 07/06/2022

\*\* 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.**