

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0104 |
| Estimated average burden hours per response: | 0.5       |

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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*<br><u>Indaba Capital Management, L.P.</u><br><br>(Last) (First) (Middle)<br>ONE LETTERMAN DRIVE<br>BUILDING D, SUITE DM700<br><br>(Street)<br>SAN FRANCISCO CA 94129<br><br>(City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year)<br>03/18/2022 | 3. Issuer Name and Ticker or Trading Symbol<br><u>Benefitfocus, Inc. [ BNFT ]</u>   |  |
|   |   | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><br>Director <input checked="" type="checkbox"/> 10% Owner<br><br>Officer (give title below) Other (specify below) | 5. If Amendment, Date of Original Filed (Month/Day/Year)<br><br>6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input type="checkbox"/> Form filed by One Reporting Person<br><input checked="" type="checkbox"/> Form filed by More than One Reporting Person |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock                    | 3,521,511   | I  | See Footnotes <sup>(1)(2)</sup>                       |

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) |                            | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|-----------------|---|----------------------------|--|--|---|
|  | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |

|   |
|---|
| 1. Name and Address of Reporting Person*<br><u>Indaba Capital Management, L.P.</u><br><br>(Last) (First) (Middle)<br>ONE LETTERMAN DRIVE<br>BUILDING D, SUITE DM700<br><br>(Street)<br>SAN FRANCISCO CA 94129<br><br>(City) (State) (Zip) |
|---|

|   |
|---|
| 1. Name and Address of Reporting Person*<br><u>IC GP, LLC</u><br><br>(Last) (First) (Middle)<br>ONE LETTERMAN DRIVE,<br>BUILDING D, SUITE DM700<br><br>(Street)<br>SAN FRANCISCO CA 94129<br><br>(City) (State) (Zip) |
|---|

|  |         |          |
|--|---------|----------|
| (City)                                   | (State) | (Zip)    |
| 1. Name and Address of Reporting Person* |         |          |
| <a href="#">SCHRIER DEREK C</a>          |         |          |
| (Last)                                   | (First) | (Middle) |
| C/O INDABA CAPITAL MANAGEMENT, L.P.      |         |          |
| ONE LETTERMAN DR., BLDING D, SUITE       |         |          |
| DM700                                    |         |          |
| (Street)                                 |         |          |
| SAN                                      | CA      | 94129    |
| FRANCISCO                                |         |          |
| (City)                                   | (State) | (Zip)    |

**Explanation of Responses:**

1. This Form 3 is filed jointly by Indaba Capital Management, L.P. (the "Investment Manager"), IC GP, LLC ("IC GP"), and Derek C. Schrier (collectively, the "Reporting Persons"). Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

2. Securities held directly by Indaba Capital Fund, L.P. (the "Fund"). 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 the Investment Manager. As a result, each of the Investment Manager, IC GP, as the general partner of Investment Manager, and Mr. Schrier, as Managing Member of IC GP, may be deemed to exercise voting and investment power over such securities. The Fund specifically disclaims beneficial ownership of such securities by virtue of its inability to vote or dispose of such securities as a result of such delegation to the Investment Manager.

[Indaba Capital Management, L.P.; By: IC GP, LLC; By: /s/ Derek C. Schrier, Managing Member](#) 03/23/2022

[IC GP, LLC; By: /s/ Derek C. Schrier, Managing Member](#) 03/23/2022

[/s/ Derek C. Schrier](#) 03/23/2022

\*\* 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 5 (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.**