

HEARTLAND PAYMENT SYSTEMS INC
 Form 4
 March 04, 2015

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

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 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 *
 Kallenbach Charles

2. Issuer Name and Ticker or Trading Symbol
 HEARTLAND PAYMENT SYSTEMS INC [HPY]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Legal Officer, GC & Sec.

(Last) (First) (Middle)
 90 NASSAU STREET, 2ND FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/01/2015

PRINCETON, NJ 08542

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)			
Common Stock	03/01/2015		M		1,500	A	\$ 0 7,544	D	
Common Stock	03/01/2015		F ⁽¹⁾		551	D	\$ 0 6,993	D	
Common Stock	03/01/2015		M		16,720	A	\$ 0 23,713	D	
Common Stock	03/01/2015		F ⁽¹⁾		5,252	D	\$ 0 18,461	D	
Common Stock	03/01/2015		M		715	A	\$ 0 19,176	D	

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).

(1) Shares were withheld from the reporting person, in an exempt transaction under Rule 16b-3, solely to satisfy tax obligations arising from the vesting of the restricted stock described in this Form 4.

(2) Each restricted stock unit represents a contingent right to receive one share of Heartland Payment Systems, Inc.'s (the "Issuer") Common Stock.

These performance based stock units were granted on December 10, 2010 ("PSUs"). Each restricted stock unit will vest 50% on March 1, 2013, 25% on March 1, 2014, and 25% on March 1, 2015 (subject to continued employment and certain change in control provisions)

(3) only if over the term of these performance based restricted stock units, the following diluted earnings per share targets for the years ended December 31, 2012, 2013 and 2014 are achieved.: 2012: \$1.48 2013:\$1.74 2014: \$2.04 Diluted earnings per share will be calculated on a pro forma basis to exclude non-operating gains and losses, if any, and excluding the after-tax impact of stock compensation expense.

The earnings per share target described in footnote (3) above was met for the year ended December 31, 2012 and, as a result, 50% of the restricted stock units vested on March 1, 2013. The earnings per share target described in footnote (3) above was met for the year ended

(4) December 31, 2013 and, as a result 25% of the restricted stock units vested on March 1, 2014. The earnings per share target described in footnote (3) above was met for the year ended December 31, 2014 and, as a result 25% of the restricted stock units vested on March 1, 2015.

These performance based restricted stock units were granted on December 22, 2011 ("PSUs"). The PSUs vest 50% in 2014 and 50% in 2015, contingent upon the Company achieving a diluted earnings per share compound annual growth rate ("CAGR") of 17% for the

(5) two-year period ending December 31, 2013. Additionally, for each 1% that the CAGR actually achieved for the two year period that is above the 17% target, the number of shares underlying the PSUs awarded would be increased by 3.09%; provided, however, that the maximum increase in the number of shares that may be awarded could be is 100%.

The resulting CAGR for the two-year period ending December 31, 2013 described in footnote (5) above exceeded the maximum

(6) performance target, resulting in holders earning the maximum 100% increase in PSUs awarded. As a result, 50% of the PSUs vested on March 1, 2014 and 50% vested on March 1, 2015.

These performance based restricted stock units were granted on December 10, 2012 ("PSUs"). The PSUs vest 50% in 2015 and 50% in 2016, contingent upon the Company achieving a diluted earnings per share compound annual growth rate ("CAGR") of 15% for the

(7) two-year period ending December 31, 2014. Additionally, for each 1% that the CAGR actually achieved for the two-year period ending on December 31, 2014 is below the 15% target, the number of shares underlying the performance share units granted would be decreased by 1.31%.

The resulting CAGR for the two-year period ending December 31, 2014 described in footnote (7) above was below target performance.

(8) As a result, the underlying performance shares granted on December 10, 2012 was decreased and 23.2% of the PSUs were earned; 50% of the earned PSUs (11.6%) vested on March 1, 2015 and the remaining 50% of the earned PSUs (11.6%) 11.6% will vest on March 1, 2016 subject to continued employment with the Issuer and certain change in control provisions.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.