

SANDISK CORP
Form 4
May 13, 2016

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 *
HARTENSTEIN EDDY W

(Last) (First) (Middle)
951 SANDISK DRIVE
(Street)
MILPITAS, CA 95035
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SANDISK CORP [SNDK]

3. Date of Earliest Transaction
(Month/Day/Year)
05/12/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
				(A) or (D)	Amount or Price		
Common Stock	05/12/2016		D ⁽¹⁾	V	28,221 ⁽²⁾	D	D
					⁽³⁾ ⁽⁴⁾	0	

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option	\$ 46.43	05/12/2016		D ⁽¹⁾		6,250	⁽⁵⁾ 06/01/2017	Common Stock	6,250
Non-Qualified Stock Option	\$ 58.93	05/12/2016		D ⁽¹⁾		6,250	⁽⁵⁾ 06/11/2020	Common Stock	6,250
Non-Qualified Stock Option	\$ 65.21	05/12/2016		D ⁽¹⁾		6,250	⁽⁷⁾ 06/17/2022	Common Stock	6,250
Non-Qualified Stock Option	\$ 102.2	05/12/2016		D ⁽¹⁾		6,250	⁽⁵⁾ 06/18/2021	Common Stock	6,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARTENSTEIN EDDY W 951 SANDISK DRIVE MILPITAS, CA 95035		X		

Signatures

Sharon L. Spehar - Attorney in Fact for Eddy W. Hartenstein 05/13/2016

**Signature of Reporting Person

Date

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) Disposed of pursuant to the Agreement and Plan of Merger, dated as of October 21, 2015 (the "Merger Agreement," and the merger contemplated thereby, the "Merger"), by and among SanDisk Corporation (the "Issuer"), Western Digital Corporation ("Western Digital") and Schrader Acquisition Corporation ("Merger Sub").

(2) Includes 26,294 shares of Issuer common stock and 1,927 shares of Issuer common stock subject to restricted stock units ("RSUs"), the vesting of which was fully accelerated immediately prior to the effective time of the Merger (the "Effective Time"). Each RSU represents a contingent right to acquire one share of Issuer common stock.

(3) Disposed of pursuant to the Merger Agreement, whereby at the Effective Time each share of Issuer common stock was cancelled and automatically converted into the right to receive \$67.50 in cash, without interest, and 0.2387 shares of Western Digital common stock (together, the "Merger Consideration"), with the fractional shares being paid in cash as provided in the Merger Agreement. The market value of the Merger Consideration is \$76.18 per share, based on the trading price of Western Digital common stock as of end of trading

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on May 12, 2016.

- (4) Disposed of pursuant to the Merger Agreement, whereby at the Effective Time each outstanding and vested Issuer RSU was cancelled and automatically converted into the right to receive the Merger Consideration, less any required withholdings applicable to such RSU (which withholdings were first deducted from the stock portion of the vested RSU consideration, if any, to reduce the number of shares delivered to the Reporting Person, and thereafter reduced the cash delivered to the Reporting Person).

- (5) This option was immediately exercisable for any or all of the option shares at the time of the award, which was seven years before the identified expiration date. However, any shares purchased under the option were subject to repurchase by the Issuer, at the exercise price paid per share, upon the Reporting Person's cessation of board service prior to vesting in those shares. This option vested, and the Issuer's repurchase right lapsed, upon the Reporting Person's continued service as a board member until the earlier of (i) the expiration of the one-year period measured from the award date or (ii) the day immediately preceding the date of the next annual meeting of the Issuer's stockholders.

- (6) Disposed of pursuant to the Merger Agreement, whereby at the Effective Time each outstanding and vested Issuer stock option other than any vested Issuer stock option that had an exercise price equal to or greater than the Merger Consideration (each such stock option, an "Underwater Option"), was cancelled and automatically converted into the right to receive the Merger Consideration, less the exercise price and any required withholdings applicable to such stock option (which exercise price and withholdings were first deducted from the stock portion of the vested option consideration, if any, to reduce the number of shares delivered to the Reporting Person, and thereafter reduced the cash delivered to the Reporting Person).

- (7) This option was immediately exercisable for any or all of the option shares at the time of the award, which was seven years before the identified expiration date. However, any shares purchased under the option were subject to repurchase by the Issuer, at the exercise price paid per share, upon the Reporting Person's cessation of board service prior to vesting in those shares. This option was originally scheduled to become vested, and the Issuer's repurchase right was originally scheduled to lapse, upon the Reporting Person's continued service as a board member until the earlier of (i) the expiration of the one-year period measured from the award date or (ii) the day immediately preceding the date of the next annual meeting of the Issuer's stockholders, but the vesting was fully accelerated immediately prior to the Merger.

- (8) Pursuant to the Merger Agreement, each Underwater Option was assumed and converted into an option to purchase that number of shares of Western Digital common stock (rounded down to the nearest whole share) equal to the product of (i) the number of shares of Issuer common stock subject to such Issuer stock option and (ii) the quotient obtained by dividing (A) the volume weighted average trading price of Issuer common stock on Nasdaq for the five consecutive trading days ending on the trading day immediately preceding the Effective Time by (B) the volume weighted average trading price of Western Digital common stock on Nasdaq for the five consecutive trading days ending on the trading day immediately preceding the Effective Time (such quotient, the "Equity Conversion Ratio"), at an exercise price per share (rounded up to the nearest whole cent) equal to the quotient obtained by dividing (1) the exercise price applicable to such Issuer stock option immediately prior to the Effective Time by (2) the Equity Conversion Ratio.

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

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