

Square, Inc.
Form 4
November 30, 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 *
Khosla Ventures III, L.P.

2. Issuer Name and Ticker or Trading Symbol
Square, Inc. [SQ]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2128 SAND HILL ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/28/2016

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

MENLO PARK, CA 94025

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

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
___X___ 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) | (A) or (D) | Amount | Price | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-----------|-------------------------|---|--|---|
| Class A Common Stock | 11/28/2016 | | C ⁽¹⁾ | | A | 689,000 | \$ 0 ⁽¹⁾ | 689,000 | I | See Footnote ⁽²⁾ |
| Class A Common Stock | 11/28/2016 | | S | | D | 689,000 | \$ 12.73 ⁽³⁾ | 0 | I | See Footnote ⁽²⁾ |
| Class A Common Stock | 11/29/2016 | | C ⁽¹⁾ | | A | 6,311,000 | \$ 0 ⁽¹⁾ | 6,311,000 | I | See Footnote ⁽²⁾ |
| Class A Common Stock | 11/29/2016 | | S | | D | 960,000 | \$ 12.6 ⁽⁴⁾ | 5,351,000 | I | See Footnote ⁽²⁾ |

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| | | | | | | | | |
|----------------------------|------------|------|-----------|---|--------------------|-----------|---|------------------------|
| Class A Common Stock | 11/30/2016 | S | 351,000 | D | \$ 12.76 (5) | 5,000,000 | I | See Footnote (2) |
| Class A Common Stock | 11/30/2016 | J(6) | 5,000,000 | D | \$ 0 | 0 | I | See Footnote (2) |
| Class A Common Stock | 11/30/2016 | J(6) | 454,545 | A | \$ 0 | 454,545 | I | See Footnote (8) |
| Class A Common Stock | 11/30/2016 | J(7) | 454,545 | D | \$ 0 | 0 | I | See Footnote (8) |
| Class A Common Stock | 11/30/2016 | J(7) | 439,545 | A | \$ 0 | 439,545 | I | See Footnote (9) |

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)

| 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 |
| Class B Common Stock | (10) | 11/28/2016 | | C(1) | 689,000 | (10) (10) | Class A Common Stock 689,000 |
| Class B Common Stock | (10) | 11/29/2016 | | C(1) | 6,311,000 | (10) (10) | Class A Common Stock 6,311,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Khosla Ventures III, L.P. | | X | | |

2128 SAND HILL ROAD
MENLO PARK, CA 94025

Khosla Ventures Associates III, LLC

2128 SAND HILL ROAD X
MENLO PARK, CA 94025

VK Services, LLC

2128 SAND HILL ROAD X
MENLO PARK, CA 94025

KHOSLA VINOD

2128 SAND HILL ROAD X
MENLO PARK, CA 94025

Signatures

/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC, in its capacity as Manager of Khosla Ventures Associates III, LLC, in its capacity as general partner of Khosla Ventures III, L.P. 11/30/2016

__Signature of Reporting Person Date

/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC, in its capacity as Manager of Khosla Ventures Associates III, LLC 11/30/2016

__Signature of Reporting Person Date

/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC 11/30/2016

__Signature of Reporting Person Date

/s/ John J. Demeter, as attorney in fact for Vinod Khosla 11/30/2016

__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) Pursuant to a conversion exempt under Rule 16b-6(b), shares of Class B Common Stock were automatically converted into shares of Class A Common Stock on a one-for-one basis.

Consists of securities held of record by Khosla Ventures III, LP ("KV III"), of which Khosla Ventures Associates III, LLC ("KVA III") is the general partner. Vinod Khosla is the managing member of VK Services, LLC ("VK Services"), which is the manager of KVA III.

(2) Each of KVA III, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of KVA III, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$12.51 to \$12.84, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnote (3) to this Form 4.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$12.48 to \$12.67, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnote (4) to this Form 4.

(5) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$12.48 to \$12.89, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., or the staff of the

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Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnote (5) to this Form 4.

- (6) On November 30, 2016, 5,000,000 shares of Class A Common Stock held by KV III were distributed to the limited partners and general partners of KV III.
- (7) On November 30, 2016, 454,545 shares of Class A Common Stock held by KVA III were distributed to the general partners of KVA III.
Consists of securities held of record by KVA III. Vinod Khosla is the managing member of VK Services, which is the manager of KVA III. Each of KVA III, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of KVA III, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.
- (8) Consists of securities held of record by VK Services. Vinod Khosla is the managing member of VK Services. Each of VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.
- (9) Each share of Class B Common Stock is convertible into one share of Class A Common Stock at the option of the holder and has no expiration date.
- (10)

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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