

CARR ROBERT O
Form 4
February 23, 2006

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 *
CARR ROBERT O

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
02/22/2006

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

C/O HEARTLAND PAYMENT SYSTEMS, INC., 90 NASSAU STREET

(Street)

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

PRINCETON, NJ 08542

(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 Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock, par value \$0.001 per share | 02/22/2006 | | X | 1,750,000 | A | \$ 7.143 | 1,750,000 D |
| Common Stock, par value \$0.001 per share | 02/22/2006 | | S | 17,361 | D | \$ 14.4 (3) | 7,723,960 I |

By Carr Holdings LLC (4)

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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 Number of Shares |
| Stock Option (Right to Buy) <u>(1)</u> | \$ 7.143 | 02/22/2006 | | X <u>(1)</u> | 1,750,000 <u>(2)</u> | 08/01/2003 | 07/31/2006 | | | Common Stock | 1,750,000 <u>(2)</u> |
| Stock Option (Right to Sell) <u>(5)</u> | \$ 9.275 | 02/22/2006 | | J <u>(6)</u> | 28,000 <u>(2)</u> | 03/28/2005 | <u>(7)</u> | | | Common Stock | 28,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CARR ROBERT O C/O HEARTLAND PAYMENT SYSTEMS, INC. 90 NASSAU STREET PRINCETON, NJ 08542 | X | X | Chairman & CEO | |

Signatures

/s/ Robert O. Carr 02/23/2006

**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) Purchase of shares by Mr. Carr pursuant to an exercise in full of an option to purchase an aggregate of 1,750,000 shares of Heartland Payment Systems, Inc.'s (the "Company") common stock granted by Greenhill Capital Partners, L.P., Greenhill Capital Partners (Cayman), L.P., Greenhill Capital Partners (Executives), L.P., Greenhill Capital, L.P., LLR Equity Partners, L.P., and LLR Equity Partners Parallel, L.P. (collectively, the "Funds") in July 2003 at a purchase price of approximately \$7.143 per share, for an aggregate

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purchase price of \$12,500,000.

- (2) Greenhill Capital Partners, L.P. sold Mr. Carr 669,648 shares of common stock; Greenhill Capital Partners (Cayman) sold Mr. Carr 111,785 shares of common stock; L.P.; Greenhill Capital Partners (Executives), L.P. sold Mr. Carr 108,136 shares of common stock; Greenhill Capital, L.P. sold Mr. Carr 204,181 shares of common stock; LLR Equity Partners, L.P. sold Mr. Carr 595,786 shares of common stock; and LLR Equity Partners Parallel, L.P. sold Mr. Carr 60,464 shares of common stock.

- (3) Carr Holdings, L.L.C., a New Jersey limited liability company owned and managed by Mr. Carr and Jill Carr, Mr. Carr's wife ("Carr Holdings"), agreed to sell this stock in a private transaction before the consummation of the Company's initial public offering (the "IPO") at a 20% discount from the IPO price.

- (4) This Form 4 is filed in connection with a joint/group filing consisting of Mr. Carr and Mrs. Carr. Mrs. Carr's address is c/o Heartland Payment Systems, Inc., 90 Nassau Street, Princeton, New Jersey 08542.

- (5) The option (the "Option") was granted by Carr Holdings to Thomas Sheridan, the Company's Chief Portfolio Officer.

- (6) The Option was cancelled by mutual agreement of Carr Holdings and Mr. Sheridan.

- (7) The expiration date of the Option was the earlier of (i) 5:00 p.m., New York City time, on March 31, 2006, if the Company did not consummate an IPO, or (ii) 5:00 p.m., New York City time, six months and 15 days after the consummation of the IPO, if the IPO occurred before March 31, 2006.

- (8) Mr. Sheridan received \$361,900 as consideration for the cancellation of the Option, which was determined by by subtracting \$9.275, or the exercise price per share of the option, from the closing price per share of the Company's common stock, on the New York Stock Exchange on the last business day before the transaction date, or \$22.20, and multiplying the difference by 28,000, the amount of shares remaining exercisable under the Option.

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.