

O'Brien Timothy John
 Form 4
 March 05, 2018

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 *
 O'Brien Timothy John

2. Issuer Name and Ticker or Trading Symbol
 ATHENAHEALTH INC [ATHN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O ATHENAHEALTH, INC., 311 ARSENAL ST.
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 03/01/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP, Chief Marketing Officer

WATERTOWN, MA 02472

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock | 03/01/2018 | | A | 285 ⁽¹⁾ | \$ 0 | D | |
| Common Stock | 03/01/2018 | | F | 84 | \$ 139.74 | D | |
| Common Stock | 03/01/2018 | | A | 745 ⁽²⁾ | \$ 0 | D | |
| Common Stock | 03/01/2018 | | F | 220 | \$ 139.74 | D | |
| Common Stock | 03/01/2018 | | F | 66 | \$ 139.74 | D | |

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| | | | | | | | |
|--------------|------------|--------------|---------------------|---|------------------|-----------|---|
| Common Stock | 03/01/2018 | F | 148 | D | \$ 139.74 | 11,547 | D |
| Common Stock | 03/01/2018 | F | 63 | D | \$ 139.74 | 11,484 | D |
| Common Stock | 03/01/2018 | F | 921 | D | \$ 139.74 | 10,563 | D |
| Common Stock | 03/01/2018 | A | <u>1,500</u> (3) | A | \$ 0 | 12,063 | D |
| Common Stock | 03/02/2018 | <u>S</u> (4) | 164 | D | \$ 136 | 11,899 | D |
| Common Stock | 03/02/2018 | <u>S</u> (4) | 1,100 | D | \$ 136.92 (5) | 10,799 | D |
| Common Stock | 03/02/2018 | <u>S</u> (4) | 1,800 | D | \$ 137.6 (6) | 8,999 (7) | D |

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 |
| Stock Option (Right to Buy) | \$ 137.49 | 03/01/2018 | | A | 3,690 | 03/01/2019 ⁽⁸⁾ | 03/01/2028 | Common Stock | 3,690 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

O'Brien Timothy John
C/O ATHENAHEALTH, INC.
311 ARSENAL ST.
WATERTOWN, MA 02472

SVP, Chief
Marketing
Officer

Signatures

/s/ Dan Haley,
Attorney-in-Fact

03/05/2018

__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) On March 1, 2016, the Reporting Person was granted a Performance Stock Unit ("PSU") award of 2,719 PSUs. The PSUs convert into common stock on a one-for-one basis, and vest in three equal annual installments beginning on March 1, 2017 based on the Issuer's satisfaction of certain performance criteria for the fiscal years ending December 31, 2016, 2017 and 2018. On February 6, 2018, the Compensation Committee of the Board of Directors of the Issuer certified that certain performance criteria for 2017 was met, resulting in vesting of PSUs as to 285 shares on March 1, 2018.

(2) On March 1, 2017, the Reporting Person was granted an award of 6,686 PSUs. The PSUs convert into common stock on a one-for-one basis, and vest in three equal annual installments beginning on March 1, 2018 based on the Issuer's satisfaction of certain performance criteria for the fiscal years ending December 31, 2017, 2018 and 2019. On February 6, 2018, the Compensation Committee of the Board of Directors of the Issuer certified that certain performance criteria for 2017 was met, resulting in vesting of PSUs as to 745 shares on March 1, 2018.

(3) Represents a restricted stock unit ("RSU") award granted under the Issuer's 2007 Stock Option and Incentive Plan. Each RSU represents a contingent right to receive one share of the Issuer's common stock. The award is subject to time-based vesting and vests in three equal annual installments beginning on March 1, 2019. The RSUs will be settled only in stock.

(4) The sales reported on this Form 4 were made pursuant to a written trading plan adopted by the Reporting Person on March 13, 2017, in accordance with Rule 10b5-1.

(5) Represents a weighted average price. These shares were purchased by the Reporting Person in multiple transactions at prices ranging from \$136.46 to \$137.19, inclusive.

(6) Represents a weighted average price. These shares were sold by the Reporting Person in multiple transactions at prices ranging from \$137.27 to \$138.20, inclusive. The Reporting Person undertakes to provide to the Issuer, any security holder of the Issuer, 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 Footnotes (5) and (6).

(7) Includes 6,974 units of common stock that were granted pursuant to RSU awards under the athenahealth, Inc. 2007 Stock Option and Incentive Plan, as amended and restated. The RSUs are subject to time-based vesting and will be settled only in stock.

(8) The option award vests in three equal annual installments beginning on March 1, 2019.

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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