

Phelps William
Form 4
February 16, 2012

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 *
Phelps William

(Last) (First) (Middle)

ONE FRANKLIN PARKWAY, BUILDING 910

(Street)

SAN MATEO, CA 94403

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DemandTec, Inc. [DMAN]

3. Date of Earliest Transaction (Month/Day/Year)
02/14/2012

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)
EVP & COO

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) Code V Amount (D) Price | | | |
| Common Stock | 02/14/2012 | | D ⁽¹⁾ | 56,667 D \$ 0 (1) | 30,000 | D | |
| Common Stock | 02/14/2012 | | D ⁽²⁾ | 30,000 D \$ 0 (2) | 0 | D | |

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

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amo Nur Sha |
| Incentive Stock Option (right to buy) | \$ 11 | 02/14/2012 | | D | 45,450 | <u>(3)</u> | 06/19/2017 | Common Stock | 45 |
| Non-Qualified Stock Option (right to buy) | \$ 6.17 | 02/14/2012 | | D | 94,000 | <u>(5)</u> | 04/05/2017 | Common Stock | 94 |
| Non-Qualified Stock Option (right to buy) | \$ 10.37 | 02/14/2012 | | D | 150,000 | <u>(7)</u> | 03/03/2015 | Common Stock | 150 |
| Non-Qualified Stock Option (right to buy) | \$ 11 | 02/14/2012 | | D | 204,550 | <u>(3)</u> | 06/19/2017 | Common Stock | 204 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------|-------|
| | Director | 10% Owner | Officer | Other |
| Phelps William ONE FRANKLIN PARKWAY BUILDING 910 SAN MATEO, CA 94403 | | | EVP & COO | |

Signatures

By: Michael McAdam, Attorney in Fact For: William Phelps

02/16/2012

__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) Consists of restricted stock units ("RSUs") that were converted, pursuant to a merger agreement between the Issuer and International Business Machines Corporation ("IBM") into RSUs with respect to shares of IBM common stock, with each RSU converted into 0.069376 IBM RSUs. Pursuant to the merger agreement, the performance conditions applicable to the units were deemed satisfied at 100% of target performance.

(2)

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Consists of RSUs that were converted, pursuant to the merger agreement, into RSUs with respect to shares of IBM common stock, with each RSU converted into 0.069376 IBM RSUs.

- (3) The stock option is fully vested and exercisable.

Represents vested stock options that were disposed of pursuant to the merger agreement in exchange for a cash payment of \$99,990.00, representing the difference between the merger consideration of \$13.20 per share and the exercise price of the option, less applicable withholding taxes, on the effective date of the merger.

- (5) Option vests and becomes exercisable as to 12.5% of the shares subject to the option on October 6, 2010 and as to 1/48 of the shares monthly thereafter over the remaining 42 months.

Pursuant to the terms of the merger agreement this option was, (i) with respect to 39,833 vested shares, cancelled in exchange for a cash payment of \$280,025.99, representing the aggregate difference between the exercise price of the option and the merger consideration of

- (6) \$13.20 per share, less applicable withholding taxes; and, (ii) with respect to 54,167 unvested shares, was converted into an option to acquire shares of IBM common stock at an exercise price of \$88.94 per share, with the right to acquire each Issuer share converted into the right to acquire 0.069376 shares of IBM common stock.

- (7) Option vests and becomes exercisable as to 12.5% of the shares subject to the option on September 4, 2008 and as to 1/48 of the shares monthly thereafter over the remaining 42 months.

Pursuant to the terms of the merger agreement this option was, (i) with respect to 146,875 vested shares, cancelled in exchange for a cash payment of \$415,656.25, representing the aggregate difference between the exercise price of the option and the merger consideration of

- (8) \$13.20 per share, less applicable withholding taxes; and, (ii) with respect to 3,125 unvested shares, was converted into an option to acquire shares of IBM common stock at an exercise price of \$149.48 per share, with the right to acquire each Issuer share converted into the right to acquire 0.069376 shares of IBM common stock.

Represents vested stock options that were disposed of pursuant to the merger agreement in exchange for a cash payment of \$450,010.00,

- (9) representing the difference between the merger consideration of \$13.20 per share and the exercise price of the option, less applicable withholding taxes, on the effective date of the merger.

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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