

PayPal Holdings, Inc.
Form 4
April 04, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 *
Rainey John D

(Last) (First) (Middle)

C/O PAYPAL HOLDINGS, INC., 2211 NORTH FIRST STREET

(Street)

SAN JOSE, CA 95131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PayPal Holdings, Inc. [PYPL]

3. Date of Earliest Transaction (Month/Day/Year)
04/01/2017

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, Chief Financial Officer

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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 04/01/2017 | | M | 16,787 | A \$ 0 | 45,618 | D |
| Common Stock | 04/01/2017 | | F | 8,692 <u>(1)</u> | D \$ 43.02 | 36,926 | 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) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Restricted Stock Units -3 | (2) | 04/01/2017 | | M | 16,787 | (3) | (4) | Common Stock | 16,787 |
| Non-Qualified Stock Option (right to buy) | \$ 33.8 | | | | | (5) | 09/15/2022 | Common Stock | 87,300 |
| Restricted Stock Units -1 | (2) | | | | | (6) | (4) | Common Stock | 32,700 |
| Restricted Stock Units -2 | (2) | | | | | (6) | (4) | Common Stock | 87,300 |
| Restricted Stock Units -4 | (2) | | | | | (3) | (4) | Common Stock | 60,600 |
| Restricted Stock Units -5 | (2) | | | | | (7) | (4) | Common Stock | 75,700 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Rainey John D C/O PAYPAL HOLDINGS, INC. 2211 NORTH FIRST STREET SAN JOSE, CA 95131 | | | EVP, Chief Financial Officer | |

Signatures

By: Brian Yamasaki For: John D. Rainey 04/03/2017

**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)

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Represents shares reacquired to satisfy tax withholding obligations in connection with the vesting of 16,787 shares of restricted stock granted to the Reporting Person on 4/1/16.

- (2) Each restricted stock unit represents a contingent right to receive one share of PayPal's common stock.

The reporting person received a restricted stock unit grant subject to a three-year vesting schedule, vesting 33.34% on the one year anniversary date of the restricted stock unit, 33.33% on the second year anniversary, and 33.33% on the third year anniversary. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

- (3) Not applicable.

- (4) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.

The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on the one year anniversary date of the restricted stock unit and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

- (5) of the restricted stock unit and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

The reporting person earned a total of 75,738 shares in respect of performance-based restricted stock units (PBRUs) for the 2015-2016 performance period, which were granted to the reporting person as restricted stock units on 3/1/17. 100% of the shares subject to such restricted stock units will vest on the first anniversary of the date of grant.

- (6) performance period, which were granted to the reporting person as restricted stock units on 3/1/17. 100% of the shares subject to such restricted stock units will vest on the first anniversary of the date of grant.

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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