UNITED THERAPEUTICS CORP
Form 4
May 01, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

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

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
ROTHBLATT MARTINE A

(Last) (First) (Middle)

(Street)

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
UNITED THERAPEUTICS CORP [UTHR]

3. Date of Earliest Transaction (Month/Day/Year)
04/30/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								115,456 (1)	I	By Grantor Retained Annuity Trust
Common Stock								90,122 (2)	I	By Grantor Retained Annuity Trust
Common Stock	04/30/2008	04/30/2008	M		3,200	A	$ 43.6	6,700	D	

Common Stock	04/30/2008	04/30/2008	S	3,200 (3)	D	$ 85.6155	3,500	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)

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
Employee Stock Options	$ 43.6	04/30/2008	04/30/2008	M			3,200	01/20/2005	06/26/2010	Common Stock	3,200

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROTHBLATT MARTINE A	X		CEO	

Signatures

/s/ Paul Mahon under Power of Attorney	05/01/2008
**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) Shares held by the reporting person in three GRATs.

(2) Shares held by the reporting person's spouse in three GRATs.

(3) This exercise and sale of 3,200 shares is pursuant to the 10b5-1 Plan adopted by the reporting person on August 3, 2007.

(4) Includes 1,468 shares issuable upon the exercise of stock options held by the reporting person's spouse.

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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Total liabilities
1,197,447

1,201,893

Total shareholders' equity
158,195

155,050

Total liabilities and shareholders' equity
$
1,355,642

$
1,356,943

Net interest-earning assets
$
216,257

$
218,223

Tax equivalent net interest income [3]

9,443

10,001

Tax equivalent interest rate spread [6]

2.93
%

3.07
%

Tax equivalent net interest margin as a percentage of interest-earning assets [7]

3.07
%

3.21
%

Average of interest-earning assets to average interest-bearing liabilities

120.93
%

120.87
%

Less tax equivalent adjustment [3]

Explanation of Responses:

(20
)

(14
)

Net interest income

$
9,423

$
9,987

40

(1) Amount is net of deferred loan origination fees and costs. Average balances include nonaccrual loans and loans held for sale and excludes the allowance for loan losses.
(2) Loan fees are included in interest income and are immaterial.
(3) Municipal securities income and net interest income are presented on a tax equivalent basis using a tax rate of 34%. The tax equivalent adjustment is deducted from tax equivalent net interest income to agree to the amounts reported in the statements of income.
(4) Includes mortgagors' and investors' escrow accounts.
(5) Includes brokered deposits.
(6) Tax equivalent net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.
(7) Tax equivalent net interest margin represents tax equivalent net interest income divided by average interest-earning assets.

The following table sets forth the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have on the Company's interest income and interest expense for the periods presented. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the rate and volume columns. For purposes of this table, changes attributable to both changes in rate and volume that cannot be segregated have been allocated proportionately based on the changes due to rate and the changes due to volume.

	Three Months Ended March 31, 2015 and 2014 Increase (Decrease) Due To		
	Rate	Volume	Net
	(In Thousands)		
Interest-earning assets:			
Interest and dividend income:			
Loans [1][2]	$(317)	$(156)	$(473)
Securities [3]	(132)	4	(128)
Other interest-earning assets	6	—	6
Total interest-earning assets	(443)	(152)	(595)
Interest-bearing liabilities:			
Interest expense:			
Deposits [4]	(28)	77	49
Federal Home Loan Bank advances	31	(117)	(86)
Total interest-bearing liabilities	3	(40)	(37)
Change in net interest income	$(446)	$(112)	$(558)

(1) Amount is net of deferred loan origination fees and costs. Average balances include nonaccrual loans and loans held for sale.
(2) Loan fees are included in interest income and are immaterial.
(3) Municipal securities income and net interest income are presented on a tax equivalent basis using a tax rate of 34%. The tax equivalent adjustment is deducted from tax equivalent net interest income to agree to the amount reported in the statements of income.
(4) Includes mortgagors' and investors' escrow accounts and brokered deposits.

Provision for Loan Losses. The provision for loan losses decreased $95,000 for the first quarter of 2015 compared to the same period in 2014, as a result of reductions in nonperforming loans, a decrease in charge-offs and reserves for impaired loans. At March 31, 2015, nonperforming loans totaled $4.8 million, compared to $6.0 million at March 31, 2014, resulting from decreases in nonperforming residential mortgage loans and multi-family and commercial mortgage loans of $928,000 and $609,000, respectively. Net loan charge-offs were $49,000 and $94,000 for the quarters ended March 31, 2015 and 2014, respectively.

Noninterest Income. The following table shows the components of noninterest income and the dollar and percentage changes for the periods presented.

	Three Months Ended March 31,		Change	
	2015	2014	Dollars	Percent
	(Dollars in Thousands)			
Service fees	$1,648	$1,718	$(70)	(4.1)%
Wealth management fees	298	323	(25)	(7.7)
Increase in cash surrender value of bank-owned life insurance	162	142	20	14.1
Net gain on sales of securities	—	35	(35)	(100.0)
Mortgage banking	147	160	(13)	(8.1)
Net gain (loss) on fair value of derivatives	(5)	17	(22)	(129.4)
Other	87	377	(290)	(76.9)
Total noninterest income	$2,337	$2,772	$(435)	(15.7)%

Decreases in other noninterest income, service fees and wealth management fees contributed to lower noninterest income during 2015, partially offset by an increase in the cash surrender value of bank owned life insurance policies for 2015. Service fees and wealth management fees decreased $70,000 and $25,000, respectively, compared to the same period in the prior year, as a result of a reduction in overdraft privilege fees and lower trust and investment service fees. Other noninterest income declined $290,000 for the first quarter of 2015 over the comparable period in 2014. For the first quarter in 2014, other noninterest income included the reimbursement of $250,000 in legal fees and other foreclosure expenses incurred in a prior period on two commercial loans.

Noninterest Expenses. The following table shows the components of noninterest expenses and the dollar and percentage changes for the periods presented.

	Three Months Ended March 31,		Change	
	2015	2014	Dollars	Percent
	(Dollars in Thousands)			
Salaries and employee benefits	$4,944	$5,200	$(256)	(4.9)%
Occupancy and equipment	2,053	2,107	(54)	(2.6)
Computer and electronic banking services	1,297	1,352	(55)	(4.1)
Outside professional services	466	449	17	3.8
Marketing and advertising	246	226	20	8.8
Supplies	148	168	(20)	(11.9)
FDIC deposit insurance and regulatory assessments	245	349	(104)	(29.8)
Core deposit intangible amortization	150	164	(14)	(8.5)
Other real estate operations	82	169	(87)	(51.5)
Other	430	770	(340)	(44.2)
Total noninterest expenses	$10,061	$10,954	$(893)	(8.2)%

Noninterest expenses decreased $893,000 for the first quarter of 2015 compared to the same period in 2014. Salaries and employee benefits declined $256,000, resulting from a reduction in staffing levels year-over-year. The Bank's conversion to a state-chartered financial institution effective in December 2014 contributed to the decrease of $104,000 in the regulatory assessment for the first quarter of 2015. Costs associated with other real estate owned declined $87,000 during the first quarter of 2015. Additionally, computer and occupancy expenses

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decreased $55,000 and $54,000, respectively, for the first quarter of 2015 compared to the same period in 2014 due primarily to savings in electronic banking services and efficiencies in the phone system. For the comparable period in 2014, higher other noninterest expenses included fraudulent debit card transactions of $240,000 and prepayment penalties totaling $75,000 for the early extinguishment of certain Federal Home Loan Bank borrowings.

Income Tax Provision. The provision for income taxes decreased $26,000 for the quarter ended March 31, 2015 compared to the same period in 2014. The effective tax rate for the quarters ended March 31, 2015 and 2014 was 32.5% and 34.1%, respectively. The lower effective tax rate for the quarter ended March 31, 2015 was due to lower pre-tax income.

Liquidity and Capital Resources

Liquidity is the ability to meet current and future financial obligations of a short- and long-term nature. The Bank's primary sources of funds consist of deposit inflows, loan sales and repayments, maturities and sales of securities and FHLB borrowings. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows, mortgage prepayments and loan and security sales are greatly influenced by general interest rates, economic conditions and competition.

The Bank's most liquid assets are cash and cash equivalents. The levels of these assets depend on the Bank's operating, financing, lending and investing activities during any given period. At March 31, 2015, cash and cash equivalents totaled $52.7 million. Securities classified as available for sale, which provide additional sources of liquidity, totaled $176.5 million at March 31, 2015. In addition, at March 31, 2015, the Bank had the ability to borrow an additional $116.0 million from the FHLB, which included overnight lines of credit of $10.0 million. On that date, the Bank had FHLB advances outstanding of $144.0 million and no overnight advances outstanding. Additionally, the Bank has the ability to access the Federal Reserve Bank’s Discount Window on a collateralized basis and maintains a $7.0 million unsecured line of credit with a financial institution to access federal funds. The Bank believes that its liquid assets combined with the available line from the FHLB provide adequate liquidity to meet its current financial obligations.

The Bank's primary investing activities are the origination, purchase and sale of loans and the purchase and sale of securities. For the three months months ended March 31, 2015, the Bank originated $48.8 million of loans and purchased $10.3 million of securities and $11.3 million of loans. For the year ended December 31, 2014, the Bank originated $168.0 million of loans and purchased $36.2 million of securities and $59.9 million of loans.

Financing activities consist primarily of activity in deposit accounts and in borrowed funds. The net increase in total deposits, including mortgagors’ and investors’ escrow accounts, was $17.4 million for the three months months ended March 31, 2015. Certificates of deposit due within one year of March 31, 2015 totaled $179.7 million, or 17.5% of total deposits. Management believes that the amount of deposits in shorter-term certificates of deposit reflects customers’ hesitancy to invest their funds in longer-term certificates of deposit due to the uncertain interest rate environment. To compensate, the Bank has increased the duration of its borrowings with the FHLB. The Bank will be required to seek other sources of funds, including other certificates of deposit and lines of credit, if maturing certificates of deposit are not retained. Depending on market conditions, the Bank may be required to pay higher rates on such deposits or other borrowings than are currently paid on certificates of deposit. Additionally, a shorter duration in the securities portfolio may be necessary to provide liquidity to compensate for any deposit outflows. The Bank believes, however, based on past experience, a significant portion of its certificates of deposit will be retained. The Bank has the ability, if necessary, to adjust the interest rates offered to its customers in an effort to attract and retain deposits.

Deposit flows are affected by the overall level of interest rates, the interest rates and products offered by the Bank and its local competitors and other factors. The Bank generally manages the pricing of its deposits to be competitive and to increase core deposits and commercial banking relationships. Occasionally, the Bank offers promotional rates on certain deposit products to attract deposits.

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FHLB advances decreased $4.3 million during the three months months ended March 31, 2015 and decreased $28.0 million during the year ended December 31, 2014.

The Company repurchased 193,549 shares of the Company's common stock at a cost of $2.3 million during the first three months months of 2015 and 74,441 shares of the Company’s common stock at a cost of $758,000 during the year ended December 31, 2014. Additional discussion about the Company’s liquidity and capital resources is contained in Item 7 in the Company’s 2014 Annual Report on Form 10-K.

SI Financial Group, Inc. is a separate legal entity from the Bank and must provide for its own liquidity. In addition to its operating expenses, SI Financial Group is responsible for paying any dividends declared to its shareholders and making payments on its subordinated debentures. SI Financial Group may continue to repurchase shares of its common stock in the future. SI Financial Group’s primary sources of funds are interest and dividends on securities and dividends received from the Bank. The amount of dividends that the Bank may declare and pay to SI Financial Group in any calendar year cannot exceed net profits for that year to date plus retained net profits (as defined) for the preceding two calendar years. SI Financial Group believes that such restriction will not have an impact on SI Financial Group's ability to meet its ongoing cash obligations. At March 31, 2015, SI Financial Group had cash and cash equivalents of $11.2 million and available for sale securities of $4.0 million.

Payments Due Under Contractual Obligations

Information relating to payments due under contractual obligations is presented in the Company’s Form 10-K for the year ended December 31, 2014. There were no material changes in the Company’s payments due under contractual obligations between December 31, 2014 and March 31, 2015.

Off-Balance Sheet Arrangements

As a financial services provider, we routinely are a party to various financial instruments with off-balance sheet risks, such as commitments to extend credit, standby letters of credit and unused lines of credit. While these contractual obligations represent our future cash requirements, a significant portion of the commitments to extend credit may expire without being drawn upon. The contractual amounts of commitments to extend credit represent the amounts of potential accounting loss should the contract be fully drawn upon, the customer defaults and the value of any existing collateral becomes worthless. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Financial instruments whose contract amounts represent credit risk at March 31, 2015 and December 31, 2014 are as follows:

	March 31, 2015	December 31, 2014
	(In Thousands)	
Commitments to extend credit:		
Commitments to originate loans	$16,833	$26,170
Undisbursed construction loans	23,956	25,107
Undisbursed home equity lines of credit	46,964	45,403
Undisbursed commercial lines of credit	57,680	60,363
Overdraft protection lines	1,258	1,230
Standby letters of credit	144	81
Total commitments	$146,835	$158,354

Future loan commitments at March 31, 2015 and December 31, 2014 included fixed-rate loan commitments of $8.1 million and $10.8 million, respectively, at interest rates ranging from 2.75% to 5.50% and 3.00% to 5.75%, respectively.

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The Bank is a limited partner in two small business investment corporations ("SBICs"). At March 31, 2015, the Bank's remaining off-balance sheet commitment for the capital investment in the SBICs was $1.5 million. The Bank recorded no write downs of the SBICs during the three months ended March 31, 2015 and 2014.

For the three months months ended March 31, 2015, with the exception of the aforementioned commitments, the Company did not engage in any additional off-balance sheet transactions reasonably likely to have a material effect on the Company's financial condition, results of operations or cash flows. See Notes 6 and 12 to the consolidated financial statements contained in the Company's 2014 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Qualitative Aspects of Market Risk
The primary market risk affecting the financial condition and operating results of the Company is interest rate risk. Interest rate risk is the exposure of current and future earnings and capital arising from movements in interest rates. The Company manages the interest rate sensitivity of its interest-bearing liabilities and interest-earning assets in an effort to minimize the adverse effects of changes in the interest rate environment. To reduce the volatility of its earnings, the Company has sought to improve the match between asset and liability maturities and rates, while maintaining an acceptable interest rate spread. The Company's strategy for managing interest rate risk generally is to emphasize the origination of adjustable-rate mortgage loans for retention in its loan portfolio. However, the ability to originate adjustable-rate loans depends to a great extent on market interest rates and borrowers' preferences. As an alternative to adjustable-rate mortgage loans, the Company purchases variable-rate SBA and USDA loans in the secondary market that are fully guaranteed by the U.S. government. These loans have a significantly shorter duration than fixed-rate mortgage loans. Fixed-rate mortgage loans typically have an adverse effect on interest rate sensitivity compared to adjustable-rate loans. Accordingly, the Company has sold more longer-term fixed-rate mortgage loans in the secondary market in recent periods to manage interest rate risk. The Company offers 10-year fixed-rate mortgage loans that it retains in its portfolio. The Company may offer attractive rates for existing certificates of deposit accounts to extend their maturities. The Company also uses shorter-term investment securities and longer-term borrowings from the FHLB to help manage interest rate risk.

The Company has an Asset/Liability Committee to communicate, coordinate and control all aspects involving asset/liability management. The committee establishes and monitors the volume, maturities, pricing and mix of assets and funding sources with the objective of managing assets and funding sources to provide results that are consistent with liquidity, growth, risk limits and profitability goals.

In July 2010, the Company entered into an interest rate swap agreement with a third-party financial institution with a notional amount of $8.0 million, whereby the counterparty will pay a variable rate equal to three-month LIBOR and the Company will pay a fixed rate of 2.44%. The agreement was effective on December 15, 2010 and terminates on December 15, 2015. This agreement was designated as a cash flow hedge against the trust preferred securities issued by SI Capital Trust II. This effectively fixes the interest rate on the $8.0 million of trust preferred securities at 4.14% for the period of December 15, 2010 through December 15, 2015.

In January 2012, the Company entered into an interest rate swap agreement with a third-party financial institution with a notional amount of $15.0 million, whereby the counterparty will pay a variable rate equal to three-month LIBOR and the Company will pay a fixed rate of 1.26%. The agreement was effective on January 11, 2012 and terminates on January 11, 2017. This agreement was not designated as a hedging instrument.

Quantitative Aspects of Market Risk

The Company analyzes its interest rate sensitivity position to manage the risk associated with interest rate movements through the use of interest income simulation. The matching of assets and liabilities may be analyzed by examining the extent to which such assets and liabilities are “interest rate sensitive.” An asset or liability is said to be interest rate sensitive within a specific time period if it will mature or reprice within that time period. The

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Company's goal is to manage asset and liability positions to moderate the effect of interest rate fluctuations on net interest income.

Net Interest Income Simulation Analysis

Interest income simulations are completed quarterly and presented to the Asset/Liability Committee. The simulations provide an estimate of the impact of changes in interest rates on net interest income under a range of assumptions. The numerous assumptions used in the simulation process are reviewed by the Asset/Liability Committee on a quarterly basis. Changes to these assumptions can significantly affect the results of the simulation. The simulation incorporates assumptions regarding the potential timing in the repricing of certain assets and liabilities when market rates change and the changes in spreads between different market rates. The simulation analysis incorporates management's current assessment of the risk that pricing margins will change adversely over time due to competition or other factors. Simulation analysis is only an estimate of the Company's interest rate risk exposure at a particular point in time. The Company continually reviews the potential effect changes in interest rates could have on the repayment of rate sensitive assets and funding requirements of rate sensitive liabilities.

The table below sets forth an approximation of the Company's exposure as a percentage of estimated net interest income for the next 12- and 24-month periods using interest income simulation. The simulation uses projected repricing of assets and liabilities at March 31, 2015 on the basis of contractual maturities, anticipated repayments and scheduled rate adjustments. Prepayment rates can have a significant impact on interest income simulation. Because of the large percentage of loans and mortgage-backed securities the Company holds, rising or falling interest rates have a significant impact on the prepayment speeds of the Company's earning assets that in turn affect the rate sensitivity position. When interest rates rise, prepayments tend to slow. When interest rates fall, prepayments tend to rise. The Company's asset sensitivity would be reduced if prepayments slow and vice versa. While the Company believes such assumptions to be reasonable, there can be no assurance that assumed prepayment rates will approximate actual future mortgage-backed security and loan repayment activity.

The following table reflects changes in estimated net interest income for the Company at March 31, 2015.

	Percentage Change in Estimated Net Interest Income Over			
	12 Months		24 Months	
100 basis point decrease in rates	(2.10	)%	(3.44	)%
200 basis point increase in rates	(0.46	)	(1.45	)
300 basis point increase in rates	(0.38	)	(0.99	)

As indicated by the results of the above scenarios, net interest income would be adversely affected (within our internal guidelines) in the 12- and 24-month periods if rates decreased 100 basis points and only minimally impacted if rates increased 300 and 200 basis points as a result of the Company's initiative to position the balance sheet for the anticipated increase in market interest rates. The Company's strategy for mitigating interest rate risk includes the purchase of adjustable-rate investment securities and SBA and USDA loans that will reprice in a rising rate environment, selling longer-term and lower fixed-rate residential mortgage loans in the secondary market, restructuring FHLB advances to current lower market interest rates while extending their duration and utilizing certain derivative instruments such as forward loan sale commitments to manage the risk of loss associated with its mortgage banking activities. Additionally, the interest rate swap agreement used to hedge the interest rate of the Company's long-term variable-rate debt effectively converts the debt to a fixed-rate of interest, which reflects favorably on net interest income in a rising rate environment.

Explanation of Responses:

Item 4. Controls and Procedures.

The Company’s management, including the Company’s principal executive officer and principal financial officer, have evaluated the effectiveness of the Company’s “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”). Based upon their evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company’s disclosure controls and procedures were effective for ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (1) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (2) is accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. No changes in the Company’s internal control over financial reporting occurred during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not involved in any pending legal proceedings believed by management to be material to the Company’s financial condition or results of operations. Periodically, there have been various claims and lawsuits against the Bank, such as claims to enforce liens, condemnation proceedings on properties in which the Bank holds a security interest, claims involving the making and servicing of real property loans and other issues incident to the Bank’s business. Management believes that these legal proceedings would not have a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Item 1A. Risk Factors.

There are no material changes from the risk factors set forth under Part I, Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014, which could materially and adversely affect the Company’s business, financial condition or future results. The risks described in the Company’s Annual Report on Form 10-K are not the only risks that the Company faces. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company’s business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The Company's repurchases of equity securities for the three months ended March 31, 2015 were as follows:

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
January 1 - 31, 2015	—	$—	—	—
February 1 - 28, 2015	5,841	11.78	—	—
March 1 - 31, 2015	187,708	12.15	12,300	617,700
Total	193,549	$12.14	12,300	

[(1)] On March 12, 2015, the Company announced that the Board of Directors had approved a stock repurchase program authorizing the Company to repurchase up to 5%, or 630,000 shares, of its common stock from time to time, depending on market conditions. The stock repurchase program will continue until it is completed or terminated by the Board of Directors.

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Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

3.1	Articles of Incorporation of SI Financial Group, Inc. [1]
3.2	Bylaws of SI Financial Group, Inc. [2]
4	Specimen Stock Certificate of SI Financial Group, Inc. [1]
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32	18 U.S.C. Section 1350 Certifications
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, formatted in eXtensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Statement of Changes in Shareholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) related Notes to Consolidated Financial Statements.

[1] Incorporated herein by reference into this document from the Exhibits on the Registration Statement on Form S-1 (File No. 333-169302), and any amendments thereto, filed with the Securities and Exchange Commission on September 10, 2010.
[2] Incorporated herein by reference into this document from the Exhibits to the Company’s Current Report on Form 8-K (File No. 000-54241) filed with the Securities and Exchange Commission on November 21, 2014.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SI FINANCIAL GROUP, INC.

Date: May 7, 2015

/s/ Rheo A. Brouillard
Rheo A. Brouillard
President and Chief Executive Officer
(principal executive officer)

Date: May 7, 2015

/s/ Lauren L. Murphy
Lauren L. Murphy
Senior Vice President and Chief Financial Officer
(principal accounting and financial officer)

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