

STUART GARY D
Form 4
November 07, 2011

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 *
STUART GARY D

(Last) (First) (Middle)

C/O EMDEON INC., 3055
LEBANON PIKE, SUITE 1000

(Street)

NASHVILLE, TN 37214

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Emdeon Inc. [EM]

3. Date of Earliest Transaction
(Month/Day/Year)
11/02/2011

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)
Exec. VP ? Payer Services

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)	Price		
Class A common stock	10/20/2011		M ⁽¹⁾	V 889 A	\$ 11.25	4,766	D
Class A common stock	10/20/2011		F ⁽¹⁾	V 96 D	\$ 18.96	4,670	D
Class A common stock	11/02/2011		D ⁽²⁾	4,670 D	\$ 19 0		D

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

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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 Securities (Instr. 3 and 4)	
					V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Restricted Stock Units	(3)	11/02/2011		D ⁽⁴⁾		5,625	(4)	(4)	Class A common stock	5,625
Restricted Stock Units	(3)	11/02/2011		D ⁽⁵⁾		10,000	(5)	(5)	Class A common stock	10,000
Stock Option (right to buy)	\$ 15.5	11/02/2011		D ⁽⁶⁾		53,298	(7)	08/11/2019	Class A common stock	53,298
Stock Option (right to buy)	\$ 15.5	11/02/2011		J ⁽⁸⁾		106,595	(7)	08/11/2019	Class A common stock	106,595
Stock Option (right to buy)	\$ 15.5	11/02/2011		D ⁽⁶⁾		13,737.86	(9)	08/11/2019	Class A common stock	13,737.86
Stock Option (right to buy)	\$ 15.5	11/02/2011		J ⁽⁸⁾		11,262.14	(9)	08/11/2019	Class A common stock	11,262.14
Stock Option (right to buy)	\$ 16.51	11/02/2011		D ⁽⁶⁾		38,400	(10)	03/11/2020	Class A common stock	38,400
Stock Option (right to buy)	\$ 15.42	11/02/2011		D ⁽⁶⁾		50,000	(11)	03/01/2021	Class A common stock	50,000

Limited Liability Co. Interests (Units)	(12)	11/02/2011	J(13)	206,148	(14)	(12)	Class A common stock	206,
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STUART GARY D C/O EMDEON INC. 3055 LEBANON PIKE, SUITE 1000 NASHVILLE, TN 37214			Exec. VP ? Payer Services	

Signatures

/s/ Denise Ceule, Attorney
in Fact

11/04/2011

**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 October 20, 2011, 889 shares were purchased under the Emdeon Inc. Employee Stock Purchase Plan, of which the issuer retained 96 shares to satisfy certain tax withholding obligations in connection with such purchase.
- (2) Disposed of pursuant to the merger agreement dated August 3, 2011 by and among the issuer, Beagle Parent Corp. ("Parent") and Beagle Acquisition Corp. ("Merger Sub") providing for the merger of Merger Sub with and into the issuer effective as of as of November 2, 2011 (the "Merger") pursuant to which the shares were cancelled in exchange for a cash payment equal to \$19.00 per share.
- (3) Each restricted stock unit represented a contingent right to receive one share of Class A common stock.
- (4) The restricted stock units were scheduled to vest in equal annual installments of 1,875 shares each on the second, third and fourth anniversaries of the March 11, 2010 grant date. Vesting was accelerated in connection with the Merger and each restricted stock unit was cancelled in exchange for a cash payment of \$19.00.
- (5) The restricted stock units were scheduled to vest in equal annual installments on the first four anniversaries of the March 1, 2011 grant date. Vesting was accelerated in connection with the Merger and each restricted stock unit was cancelled in exchange for a cash payment of \$19.00.
- (6) The stock options were cancelled pursuant to the Merger in exchange for a cash payment equal to the difference between the exercise price of the stock options and \$19.00, multiplied by the number of shares subject to the stock options.
- (7) The stock options were scheduled to vest in equal annual installments over three years from the August 11, 2009 grant date. Vesting was accelerated in connection with the Merger.
- (8) The stock options were assumed by Parent in the Merger and replaced with options to acquire a number of shares of common stock of Parent at an exercise price that preserves the aggregate "spread" value of the exchanged options (the difference between the exercise price of the stock options and \$19.00).
- (9) The stock options were scheduled to vest in equal annual installments over four years from the August 11, 2009 grant date. Vesting was accelerated in connection with the Merger.
- (10) The stock options were scheduled to vest in equal annual installments over four years from the March 11, 2010 grant date. Vesting was accelerated in connection with the Merger.

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- (11) The stock options were scheduled to vest in equal annual installments over four years from the March 1, 2011 grant date. Vesting was accelerated in connection with the Merger.

- (12) In accordance with the terms of EBS Master LLC's ("EBS Master") operating agreement, each vested Unit of EBS Master (an "EBS Unit") (along with a corresponding share of the issuer's Class B common stock) was exchangeable at any time for one share of the issuer's Class A common stock, or at the election of EBS Master, cash equal to the fair market value of the EBS Unit. The EBS Units did not expire and the reporting person was not required to pay an exercise price in connection with exchanges. The corresponding shares of Class B common stock provided the holder with one vote on all matters submitted to a vote of the issuer's stockholders but did not entitle the holder to any of the economic rights associated with shares of the issuer's Class A common stock.

- (13) Sold to EBS Holdco I, LLC, a wholly-owned subsidiary of the issuer, in connection with the Merger in exchange for a cash payment of \$19.00 per EBS Unit. In connection with the Merger, each share of Class B common stock corresponding to a vested EBS Unit was cancelled for no consideration.

- (14) Of the EBS Units (which were originally granted with corresponding shares of Class B common stock), 46,676 were vested as of the August 11, 2009 grant date, 147,320 were subject to vesting in equal annual installments on November 15, 2009, November 15, 2010 and November 15, 2011 and 12,152 were subject to vesting in equal installments on May 26, 2010, May 26, 2011, May 26, 2012 and May 26, 2013. Vesting was accelerated in connection with 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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