

Square, Inc.
Form 4
March 02, 2017

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 *
Khosla Ventures III, L.P.

2. Issuer Name and Ticker or Trading Symbol
Square, Inc. [SQ]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2128 SAND HILL ROAD
(Street)
MENLO PARK, CA 94025
(City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
02/28/2017

____ Director 10% Owner
____ Officer (give title below) ____ Other (specify below)

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

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)	(A) or (D)	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)
Class A Common Stock	02/28/2017		C ⁽¹⁾	300,000	A	\$ 0 ⁽¹⁾ 300,000	I	See Footnote ⁽²⁾
Class A Common Stock	02/28/2017		S	300,000	D	\$ 17.44 ⁽³⁾ 0	I	See Footnote ⁽²⁾
Class A Common Stock	03/01/2017		C ⁽¹⁾	400,000	A	\$ 0 400,000	I	See Footnote ⁽²⁾
Class A Common Stock	03/01/2017		S	400,000	D	\$ 17.37 ⁽⁴⁾ 0	I	See Footnote ⁽²⁾

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Class A Common Stock	03/02/2017		<u>C</u> ⁽¹⁾	9,300,000	A	\$ 0 <u>(1)</u>	9,300,000	I	See Footnote <u>(2)</u>
Class A Common Stock	03/02/2017		S	300,000	D	\$ 17.08 <u>(5)</u>	9,000,000	I	See Footnote <u>(2)</u>
Class A Common Stock	03/02/2017		<u>J</u> ⁽⁶⁾	9,000,000	D	\$ 0	0	I	See Footnote <u>(2)</u>
Class A Common Stock	03/02/2017		<u>J</u> ⁽⁶⁾	818,181	A	\$ 0	818,181	I	See Footnote <u>(8)</u>
Class A Common Stock	03/02/2017		<u>J</u> ⁽⁷⁾	818,181	D	\$ 0	0	I	See Footnote <u>(8)</u>
Class A Common Stock	03/02/2017		<u>J</u> ⁽⁷⁾	791,181	A	\$ 0	1,670,271	I	See Footnote <u>(9)</u>

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
Class B Common Stock	<u>(10)</u>	02/28/2017		<u>C</u> ⁽¹⁾	300,000	<u>(10)</u>	<u>(10)</u>	Class A Common Stock	300,000
Class B Common Stock	<u>(10)</u>	03/01/2017		<u>C</u> ⁽¹⁾	400,000	<u>(10)</u>	<u>(10)</u>	Class A Common Stock	400,000
Class B Common Stock	<u>(10)</u>	03/02/2017		<u>C</u> ⁽¹⁾	9,300,000	<u>(10)</u>	<u>(10)</u>	Class A Common Stock	9,300,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Khosla Ventures III, L.P. 2128 SAND HILL ROAD MENLO PARK, CA 94025		X		
Khosla Ventures Associates III, LLC 2128 SAND HILL ROAD MENLO PARK, CA 94025		X		
VK Services, LLC 2128 SAND HILL ROAD MENLO PARK, CA 94025		X		
KHOSLA VINOD 2128 SAND HILL ROAD MENLO PARK, CA 94025		X		

Signatures

/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC, in its capacity as Manager of Khosla Ventures Associates III, LLC, in its capacity as general partner of Khosla Ventures III, L.P.	03/02/2017
**Signature of Reporting Person	Date
/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC, in its capacity as Manager of Khosla Ventures Associates III, LLC	03/02/2017
**Signature of Reporting Person	Date
/s/ John J. Demeter, as attorney in fact for Vinod Khosla, as Managing Member of VK Services, LLC	03/02/2017
**Signature of Reporting Person	Date
/s/ John J. Demeter, as attorney in fact for Vinod Khosla	03/02/2017
**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) Pursuant to a conversion exempt under Rule 16b-6(b), shares of Class B Common Stock were automatically converted into shares of Class A Common Stock on a one-for-one basis.
- Consists of securities held of record by Khosla Ventures III, LP ("KV III"), of which Khosla Ventures Associates III, LLC ("KVA III") is the general partner. Vinod Khosla is the managing member of VK Services, LLC ("VK Services"), which is the manager of KVA III.
- (2) Each of KVA III, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of KVA III, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$17.27 to \$17.79, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., 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 footnote (3) to this Form 4.
- (3)

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(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$17.06 to \$17.58, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., 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 footnote (4) to this Form 4.

(5) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions ranging from \$17.00 to \$17.31, inclusive. Each reporting person undertakes to provide Square, Inc., any security holder of Square, Inc., 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 footnote (5) to this Form 4.

(6) On March 2, 2017, 9,000,000 shares of Class A Common Stock held by KV III were distributed to the limited partners and general partners of KV III.

(7) On March 2, 2017, 818,181 shares of Class A Common Stock held by KVA III were distributed to the members of KVA III.

(8) Consists of securities held of record by KVA III. Vinod Khosla is the managing member of VK Services, which is the manager of KVA III. Each of KVA III, VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of KVA III, VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.

(9) Consists of securities held of record by VK Services. Vinod Khosla is the managing member of VK Services. Each of VK Services and Vinod Khosla may be deemed to possess voting and investment control over such securities, and each of VK Services and Vinod Khosla may be deemed to have indirect beneficial ownership of such securities. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein.

(10) Each share of Class B Common Stock is convertible into one share of Class A Common Stock at the option of the holder and has no expiration date.

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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