

DePalma James
Form 4
July 27, 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 *
DePalma James

2. Issuer Name and Ticker or Trading Symbol
L-1 IDENTITY SOLUTIONS, INC.
[ID]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
07/25/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, CFO & Treasurer

C/O L-1 IDENTITY SOLUTIONS, INC., 177 BROAD STREET, 12TH FLOOR

(Street)

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

STAMFORD, CT 06901

(City) (State) (Zip)

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, par value \$0.001 per share | 07/25/2011 | | D | | 193,984 <u>(1)</u> | D | \$ 12 <u>(1)</u> 0 <u>(1)</u> |
| Common Stock, par value \$0.001 per share | 07/25/2011 | | D | | 3,284 <u>(1)</u> | D | \$ 12 <u>(1)</u> 0 <u>(1)</u> <u>(2)</u> |
| | | | | | | I <u>(2)</u> | By 401(k) Plan |

Common
Stock, par
value
\$0.001
per share

07/25/2011

D

7,619,047
(1)

D

\$ 12 0 (1)
(1)

I (1)

By limited
partnership
of which
Mr.
DePalma is
a managing
member of
the general
partner
thereof.

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Stock Options (right to buy) | \$ 7.33 | 07/25/2011 | | D | 35,000 | <u>(3)</u> 02/10/2019 <u>(3)</u> | Common Stock, par value \$0.001 per share 35,000 |
| Employee Stock Options (right to buy) | \$ 7.23 | 07/25/2011 | | D | 150,000 | <u>(4)</u> 09/08/2019 | Common Stock, par value \$0.01 per share 150,000 |
| Deferred Stock Units (Phantom Stock) | \$ 12 | 07/25/2011 | | D | 36,996 | <u>(5)</u> 07/25/2011 <u>(5)</u> | Common Stock, par value \$0.01 per share 36,996 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

DePalma James
 C/O L-1 IDENTITY SOLUTIONS, INC.
 177 BROAD STREET, 12TH FLOOR
 STAMFORD, CT 06901

X EVP, CFO & Treasurer

Signatures

James A. 07/27/2011
 DePalma

 Signature of Date
 Reporting Person

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).
- On July 25, 2011, L-1 Identity Solutions, Inc., a Delaware corporation (the "Issuer"), was acquired (the "Merger") pursuant to that certain Agreement and Plan of Merger, dated as of September 19, 2010 (the "Merger Agreement"), by and among the Issuer, Safran SA, a french societe anonyme ("Parent"), and Laser Aquisition Sub Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"). In connection with the Merger, all shares of the Issuer's common stock, par value \$0.001 per share ("Common Stock"), held by the Reporting Person at the effective time of the Merger (the "Effective Time") were exchanged for merger consideration consisting of \$12.00 in cash per share of Common Stock, subject to applicable withholding amounts, as described in the Merger Agreement.
- (1) Represents shares of Common Stock held in the Reporting Person's 401(k) Plan that were exchanged for merger consideration in the Merger.
 - (2) These options to purchase 35,000 shares of Common Stock, which were scheduled to vest in four equal annual installments beginning on the first anniversary of the date of grant (which was February 10, 2010), became fully vested and exercisable as of immediately prior to the Effective Time. As of the Effective Time, each option was cancelled in the Merger in exchange for a cash payment of \$4.67 (\$163,450 in the aggregate), representing the difference between the exercise price of the options (\$7.33 per share) and the merger consideration (\$12.00 per share), subject to applicable tax withholding amounts. Any other stock options held by the Reporting Person were cancelled as of the Effective Time for no value.
 - (3) These options to purchase 150,000 shares of Common Stock, which were scheduled to vest in four equal annual installments beginning on the first anniversary of the date of grant (which was September 8, 2010), became fully vested and exercisable as of immediately prior to the Effective Time. As of the Effective Time, each option was cancelled in the Merger in exchange for a cash payment of \$4.77 (\$715,500 in the aggregate), representing the difference between the exercise price of the options (\$7.23 per share) and the merger consideration (\$12.00 per share), subject to applicable tax withholding amounts. Any other stock options held by the Reporting Person were cancelled as of the Effective Time for no value.
 - (4) Represents 36,996 deferred stock units (phantom stock) from a deferred compensation arrangement relating to bonuses previously earned but deferred. Each deferred stock unit outstanding immediately prior to the Effective Time of the Merger was cancelled in exchange for the right to receive an amount equal to the merger consideration (\$12.00 per share), subject to applicable tax withholding amounts.
 - (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.