

KESSINGER WILLIAM C  
Form 4  
August 17, 2012

**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 \*  
KESSINGER WILLIAM C

2. Issuer Name and Ticker or Trading Symbol  
Performant Financial Corp [PFMT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/19/2012

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

C/O PARTHENON CAPITAL PARTNERS, FOUR EMBARCADERO CENTER, SUITE 3610

(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

SAN FRANCISCO, CA 94111

(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			
Series B Preferred Stock	03/19/2012		C		3,874,600	A	2	3,874,600	I	See footnote (1)
Series B Preferred Stock	03/19/2012		D		3,874,600	D	2	0	I	See footnote (1)
Series B Preferred Stock	06/28/2012		C		1,391,222	A	2	1,391,222	I	See footnote (1)

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Series B Preferred Stock	06/28/2012		D	1,391,222	D	(2)	0	I	See footnote (1)
Common Stock, par value \$0.0001 per share	03/19/2012		C	3,874,600	A	(2)	33,954,470	I	See footnote (1)
Common Stock, par value \$0.0001 per share	06/28/2012		C	1,391,222	A	(2)	35,345,692	I	See footnote (1)
Common Stock, par value \$0.0001 per share	08/15/2012		S	4,830,282	D	\$ 8.37	30,515,410	I	See footnote (1)
Common Stock, par value \$0.0001 per share	08/17/2012		S	1,096,978	D	\$ 8.37	29,418,432	I	See footnote (1)

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 Number Shares
Series A Convertible Preferred Stock	(2)	03/19/2012		C	3,874,600	(2)	(2)	Series B Preferred Stock	3,874,
Series A Convertible	(2)	03/19/2012		C	3,874,600	(2)	(2)	Common Stock	3,874,

Preferred  
Stock

Series A  
Convertible  
Preferred  
Stock

(2)

06/28/2012

C

1,391,222

(2)

(2)

Series B  
Preferred  
Stock

1,391,

Series A  
Convertible  
Preferred  
Stock

(2)

06/28/2012

C

1,391,222

(2)

(2)

Common  
Stock

1,391,

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KESSINGER WILLIAM C C/O PARTHENON CAPITAL PARTNERS FOUR EMBARCADERO CENTER, SUITE 3610 SAN FRANCISCO, CA 94111	X	X		

## Signatures

/s/ Carol Anne Huff as  
Attorney-in-Fact

08/17/2012

\_\_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).

The reported shares are owned of record by Parthenon DCS Holdings, LLC ("DCS Holdings"). PCP Managers, LLC is the managing member of PCAP II, LLC, which is the managing member of PCAP Partners II, LLC, which is the general partner of Parthenon Investors II, L.P., which is the manager of DCS Holdings. Mr. Kessinger is a Managing Member of PCP Managers, LLC and a Managing Director (1) of Parthenon Capital Partners, a private equity firm and affiliate of PCAP Partners II, LLC, and therefore may be deemed to beneficially own the shares owned of record by DCS Holdings. Mr. Kessinger disclaims beneficial ownership of such shares, and this report shall not be deemed an admission that Mr. Kessinger is the beneficial owner of such shares for the purpose of Section 16 or for any other purpose, except, in each case, to the extent of his pecuniary interest therein.

On March 19, 2012 and June 28, 2012, DCS Holdings converted each share of Series A Convertible Preferred Stock into (i) one share of Series B Preferred Stock and (ii) one share of Common Stock. The Series A Convertible Preferred Stock was convertible by DCS Holdings into Series B Preferred Stock and Common Stock at any time and had no expiration date. The Series B Preferred Stock was (2) immediately redeemed by the issuer at a price equal to the liquidation value thereof plus all accumulated or accrued but unpaid dividends thereon. The number of shares of Series A Convertible Preferred Stock, Series B Preferred Stock and Common Stock reported in Columns 5, 7 and 9 of Table II reflects a 2-for-1 stock split of the issuer's common shares that became effective on July 26, 2012.

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.