

HEARTLAND PAYMENT SYSTEMS INC  
 Form 4  
 February 23, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 CARR HOLDINGS LLC

2. Issuer Name and Ticker or Trading Symbol  
 HEARTLAND PAYMENT SYSTEMS INC [HPV]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 C/O HEARTLAND PAYMENT SYSTEMS, INC., 90 NASSAU STREET

3. Date of Earliest Transaction (Month/Day/Year)  
 02/22/2006

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

(Street)  
 PRINCETON, NJ 08542

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_X\_\_\_ Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

(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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|   |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock, par value \$0.001 per share | 02/22/2006                           |  | S                              |   | 17,361  | D  | \$ 14.4<br><u>(1)</u>             |
|   |                                      |  |                                |   | 7,723,960   | D  |                                   |

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

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 (9-02)

number.

**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) | 8. Derivative Securities (Instr. 3 and 4) |                 |              |                            |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|---|-----------------|--------------|----------------------------|
|   |  |                                      |  | Code                           | V   | (A)  | (D)   | Date Exercisable                          | Expiration Date | Title        | Amount or Number of Shares |
| Stock Option (Right to Sell) <sup>(2)</sup> | \$ 9.275   | 02/22/2006                           |  | J <sup>(3)</sup>               |   | 28,000   |   | 03/28/2005                                | <sup>(4)</sup>  | Common Stock | 28,000                     |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| CARR HOLDINGS LLC<br>C/O HEARTLAND PAYMENT SYSTEMS, INC.<br>90 NASSAU STREET<br>PRINCETON, NJ 08542 |               | X         |         |       |

## Signatures

/s/ Robert O. Carr, Managing Member, Carr Holdings LLC

02/23/2006

\_\_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) Carr Holdings, L.L.C. ("Carr Holdings") agreed to sell this stock in a private transaction before the consummation of Heartland Payment Systems, Inc.'s (the "Company") initial public offering (the "IPO") at a 20% discount from the IPO price.
- (2) The option (the "Option") was granted by Carr Holdings to Thomas Sheridan, the Company's Chief Portfolio Officer.
- (3) The Option was cancelled by mutual agreement of Carr Holdings and Mr. Sheridan.  
The expiration date of the Option was the earlier of (i) 5:00 p.m., New York City time, on March 31, 2006, if the Company did not consummate an IPO, or (ii) 5:00 p.m., New York City time, six months and 15 days after the consummation of the IPO, if the IPO occurred before March 31, 2006.
- (5) Mr. Sheridan received \$361,900 as consideration for the cancellation of the Option, which was determined by subtracting \$9.275, or the exercise price per share of the Option, from the closing price per share of the Company's common stock on the New York Stock

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Exchange on the last business day before the transaction date, or \$22.20, and multiplying the difference by 28,000, the amount of shares remaining exercisable under the Option.

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.