

PEARSON J EDWARD
Form 4
March 19, 2019

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 *
PEARSON J EDWARD

(Last) (First) (Middle)
209 10TH AVE. SOUTH, SUITE 450
(Street)

NASHVILLE, TN 37203

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HEALTHSTREAM INC [HSTM]

3. Date of Earliest Transaction (Month/Day/Year)
03/15/2019

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)
President and COO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 03/18/2019 | | M | | 8,535 (1) | A | \$ 0 162,728 D |
| Common Stock | 03/18/2019 | | F | | 2,079 (2) | D | \$ 27.61 160,649 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/18/2019 | | M | 1,565 | ⁽⁴⁾ ⁽⁵⁾ | Common Stock | 1,565 |
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/18/2019 | | M | 1,699 | ⁽⁶⁾ ⁽⁵⁾ | Common Stock | 1,699 |
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/18/2019 | | M | 972 | ⁽⁷⁾ ⁽⁵⁾ | Common Stock | 972 |
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/18/2019 | | M | 799 | ⁽⁸⁾ ⁽⁵⁾ | Common Stock | 799 |
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/18/2019 | | M | 3,500 | ⁽⁹⁾ ⁽⁵⁾ | Common Stock | 3,500 |
| Restricted Share Units | \$ 0 ⁽³⁾ | 03/15/2019 | | A | 4,764 | ⁽¹⁰⁾ ⁽⁵⁾ | Common Stock | 4,764 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PEARSON J EDWARD 209 10TH AVE. SOUTH SUITE 450 NASHVILLE, TN 37203 | | | President and COO | |

Signatures

J. Edward Pearson 03/19/2019

**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) Shares acquired on vesting of restricted share units.
- (2) Shares withheld for payment of tax liability.
- (3) Each restricted share unit (RSU) represents the contingent right to receive one share of common stock upon vesting of the unit.
- (4) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 10, 2016, 20% vest on March 10, 2017, 30% vest on March 10, 2018, and the remaining 35% vest on March 10, 2019.
- (5) Not applicable.
- (6) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 17, 2017, 20% vest on March 17, 2018, 30% vest on March 17, 2019, and the remaining 35% vest on March 17, 2020.
- (7) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 16, 2018, 20% vest on March 16, 2019, 30% vest on March 16, 2020, and the remaining 35% vest on March 16, 2021.
- (8) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 15, 2019, 20% vest on March 15, 2020, 30% vest on March 15, 2021, and the remaining 35% vest on March 15, 2022.
- Vesting of these RSUs is contingent upon continued service at the time of vesting and the achievement of certain performance criteria. Up to 10% vest on March 15, 2019 for the period January 1, 2018 through December 31, 2018; up to 15% vest on March 15, 2020 for the period January 1, 2019 through December 31, 2019; up to 20% vest on March 15, 2021 for the period January 1, 2020 through
- (9) December 31, 2020; up to 25% vest on March 15, 2022 for the period January 1, 2021 through December 31, 2021; and up to 30% vest on March 15, 2023 for the period January 1, 2023 through December 31, 2023. Vesting is determined based on actual performance. The performance criteria for the period January 1, 2018 through December 31, 2018 was achieved; therefore 10% of the awards vested on March 15, 2019.
- (10) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 15, 2020, 20% vest on March 15, 2021, 30% vest on March 15, 2022, and the remaining 35% vest on March 15, 2023.

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.