

SCHULMAN DANIEL H

Form 4

October 17, 2017

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHULMAN DANIEL H

(Last) (First) (Middle)

C/O PAYPAL HOLDINGS,
INC., 2211 NORTH FIRST STREET

(Street)

SAN JOSE, CA 95131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
Symbol
PayPal Holdings, Inc. [PYPL]

3. Date of Earliest Transaction
(Month/Day/Year)
10/15/2017

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 CEO

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|---|--|--|---|
| Common Stock | 10/15/2017 | | M | 33,701 | A \$ 0 | 234,593 | D |
| Common Stock | 10/15/2017 | | F | 17,575 (1) | D \$ 68.66 | 217,018 (2) | D |

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
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SEC 1474
(9-02)

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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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number of Shares |
| Restricted Stock Units -1 | (3) | 10/15/2017 | | M | 33,701 | (4) (5) | Common Stock 33, |
| Non-Qualified Stock Option (right to buy) | \$ 31.56 | | | | | (6) 10/15/2021 | Common Stock 161 |
| Non-Qualified Stock Option (right to buy) | \$ 35.88 | | | | | (7) 04/01/2022 | Common Stock 145 |
| Non-Qualified Stock Option (right to buy) | \$ 41.64 | | | | | (8) 07/17/2022 | Common Stock 30, |
| Restricted Stock Units -3 | (3) | | | | | (9) (5) | Common Stock 36, |
| Restricted Stock Units -4 | (3) | | | | | (10) (5) | Common Stock 7,6 |
| Restricted Stock Units -5 | (3) | | | | | (11) (5) | Common Stock 109 |
| Restricted Stock Units -6 | (3) | | | | | (11) (5) | Common Stock 181 |
| Restricted Stock Units -7 | (3) | | | | | (12) (5) | Common Stock 125 |
| Restricted Stock Units -8 | (3) | | | | | (12) (5) | Common Stock 26, |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SCHULMAN DANIEL H C/O PAYPAL HOLDINGS, INC. 2211 NORTH FIRST STREET SAN JOSE, CA 95131 | X | | President and CEO | |

Signatures

By: Brian Yamasaki For: Daniel H.
Schulman

10/17/2017

__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) Represents shares reacquired to satisfy tax withholding obligations in connection with the vesting of 33,701 shares of restricted stock units granted to the Reporting Person on 10/15/14.
- (2) Includes 199,069 shares previously reported as indirectly beneficially owned through a Grantor Retained Annuity Trust ("GRAT"). The transfer of shares was exempt from reporting pursuant to Rule 16a-13.
- (3) Each restricted stock unit represents a contingent right to receive one share of PayPal's common stock.
The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on 10/15/15 and 25% each thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (4) Not applicable.
- (5) The option grant is subject to a four-year vesting schedule, vesting 25% on 9/30/15 and 1/48th per month thereafter.
- (6) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 10/1/15 and 1/48th per month thereafter.
- (7) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 01/17/16 and 1/48th per month thereafter.
The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on 4/1/16 and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (8) The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on 07/17/16 and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (9) The reporting person received a restricted stock unit grant subject to a three-year vesting schedule, vesting 33.34% on the one year anniversary date of the restricted stock unit, 33.33% on the second year anniversary, and 33.33% on the third year anniversary. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (10) The reporting person earned 152,289 shares in respect of PBRsUs for the 2015-2016 performance period, which were granted to the reporting person as restricted stock units on 3/1/17. 100% of the shares subject to such restricted stock units will vest on the first anniversary of the date of grant.
- (11)
- (12)

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.