

SKULLCANDY, INC.

Reported by
DARLING S HOBY

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 10/03/16 for the Period Ending 10/03/16

Address	1441 West Ute Blvd SUITE 250 park City, UT 84098
Telephone	435-940-1545
CIK	0001423542
Symbol	SKUL
Fiscal Year	12/31

FORM 4

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

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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 or
Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *		2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
Darling S Hoby		SKULLCANDY, INC. [SKUL]		<input checked="" type="checkbox"/> Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) PRESIDENT AND CEO	
(Last) (First) (Middle)		3. Date of Earliest Transaction (MM/DD/YYYY)			
C/O SKULLCANDY, INC., 1441 WEST UTE BOULEVARD, SUITE 250		10/3/2016			
(Street)		4. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)	
PARK CITY, UT 84098				<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	10/3/2016		D		184096	D	(1)	0	D	

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
STOCK OPTION (RIGHT TO BUY)	\$5.15	10/3/2016		D		603774		(2)(3)	5/8/2023	COMMON STOCK	603774.0	(2)	0	D	
STOCK OPTION (RIGHT TO BUY)	\$9.11	10/3/2016		D		93167		(2)(4)	3/12/2024	COMMON STOCK	93167.0	(2)	0	D	
STOCK OPTION (RIGHT TO BUY)	\$10.58	10/3/2016		D		73099		(2)(5)	3/17/2025	COMMON STOCK	73099.0	(2)	0	D	
STOCK OPTION (RIGHT TO BUY)	\$4.12	10/3/2016		D		116279		(2)(6)	3/7/2026	COMMON STOCK	116279.0	(2)	0	D	

Explanation of Responses:

- (Pursuant to the terms of the Agreement and Plan of Merger (the "Merger Agreement"), dated as of August 23, 2016, by and among Skullcandy, Inc., a
1) Delaware corporation (the "Company"), MRSK Hold Co., a Delaware corporation ("Parent"), and MRSL Merger Co., a Delaware corporation and a direct wholly owned subsidiary of Parent, the reporting person disposed of 85,143 shares of the Company's common stock in the merger and Offer (as defined in the Merger Agreement) in exchange for \$6.35 per share in cash (the "Offer Price"), and 19,418 unvested time-based restricted stock units and 79,535 unvested performance-based restricted stock units (with respect to restricted stock units awarded that vest in whole or in part on basis of achievement of performance goals, the number of restricted stock units that would vest at 100% of targeted performance is reflected), each of which was cancelled in exchange for the Offer Price.
- (Pursuant to the terms of the Merger Agreement, each stock option of the Company, whether vested or unvested, was cancelled in exchange for a cash
2) payment with respect thereto equal to the product of (A) the excess, if any, of (1) the Offer Price over (2) the exercise price per share of such option, and (B) the number of shares of common stock underlying such option.
- (
3) The original vesting term of the option was as follows: the option vests in four equal annual installments, with the first installment vesting on March 18, 2014.
- (
4) The original vesting term of the option was as follows: the option vests in four equal annual installments, with the first installment vesting on March 12, 2015.
- (
5) The original vesting term of the option was as follows: the option vests in four equal annual installments, with the first installment vesting on March 17, 2016.

(
6) The original vesting term of the option was as follows: the option vests in four equal annual installments, with the first installment vesting on March 7, 2017.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Darling S Hoby C/O SKULLCANDY, INC. 1441 WEST UTE BOULEVARD, SUITE 250 PARK CITY, UT 84098	X		PRESIDENT AND CEO	

Signatures

/s/ Patrick D. Grosso, Attorney-in-Fact for S. Hoby Darling

10/3/2016

—Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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