

# **SKULLCANDY, INC.**

Reported by  
**KEARL JEFF**

## **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
SIC Code	3651 - Household Audio and Video Equipment
Industry	Household Electronics
Sector	Technology
Fiscal Year	12/31

# FORM 4

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

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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 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)		
<b>KEARL JEFF</b>			<b>SKULLCANDY, INC. [ SKUL ]</b>			<input checked="" type="checkbox"/> Director _____ 10% Owner		
(Last) (First) (Middle)			3. Date of Earliest Transaction (MM/DD/YYYY)			<input type="checkbox"/> Officer (give title below) _____ Other (specify below)		
<b>C/O SKULLCANDY, INC., 1441 WEST UTE BOULEVARD, SUITE 250</b>			<b>10/3/2016</b>					
(Street)			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
<b>PARK CITY, UT 84098</b>						<input checked="" type="checkbox"/> Form filed by One Reporting Person		
(City) (State) (Zip)						<input type="checkbox"/> 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. 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		76040	D	(1)	0	D	
COMMON STOCK	10/3/2016		D		13650	D	(1)	0	I	BY MONARCH PARTNERS (2)

**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)	\$0.37	10/3/2016		D		29378		(3),(4)	8/27/2017	COMMON STOCK	29378.0	(3)	0	I	BY LLC (5)
STOCK OPTION (RIGHT TO BUY)	\$19.99	10/3/2016		D		28000		(3),(6)	7/27/2021	COMMON STOCK	28000.0	(3)	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 MRSK Merger Co., a Delaware corporation and a direct wholly owned subsidiary of Parent, the reporting person disposed of a total of 66,963 shares of the Company's common stock (of which (i) 53,313 shares of the Company's common stock were held directly by the reporting person and (ii) 13,650 shares of Common Stock held by Monarch Partners) in the merger and Offer (as defined in the Merger Agreement) in exchange for \$6.35 per share in cash (the "Offer Price"), and 22,727 unvested time-based restricted stock units, which were cancelled in exchange for the Offer Price.
- ( The Reporting Person is the manager of Monarch Partners and holds voting and dispositive power of the shares and options held by Monarch Partners. The
- 2) Reporting Person may be deemed to indirectly beneficially own the shares and options held by Monarch Partners, but disclaims beneficial ownership of such shares and options to the extent of his pecuniary interest therein.
- ( 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
- 3) 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.
- (
- 4) The shares are fully vested and exercisable.
- ( The Reporting Person is the manager of Pura Vida Investment Capital ("Pura Vida") and holds voting and dispositive power of the shares and the options held
- 5) by Pura Vida. The Reporting Person may be deemed to indirectly beneficially own the shares and options held by Pura Vida, but disclaims beneficial ownership of such shares and options except to extent of his pecuniary interest therein.

- ( The original vesting term of the option was as follows: the option vests (i) with respect to 33% of the shares underlying the option, on July 27, 2012; and (ii)  
**6)** with respect to the remaining 67% of the shares underlying the option, in twenty-four substantially equal installments on each monthly anniversary thereafter.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>KEARL JEFF C/O SKULLCANDY, INC. 1441 WEST UTE BOULEVARD, SUITE 250 PARK CITY, UT 84098</b>	<b>X</b>			

**Signatures**

/s/ Patrick D. Grosso, Attorney-in-Fact for Jeff Kearnl

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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