

AUTOWEB, INC.

Reported by
VARGAS JOSE J.

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 11/13/17 for the Period Ending 06/22/17

| | |
|-------------|---|
| Address | 18872 MACARTHUR BLVD SUITE 200 IRVINE, CA, 92612-1400 |
| Telephone | 9492254500 |
| CIK | 0001023364 |
| Symbol | AUTO |
| SIC Code | 7370 - Services-Computer Programming, Data Processing, Etc. |
| Industry | Advertising & Marketing |
| Sector | Consumer Cyclical |
| Fiscal Year | 12/31 |

FORM 4

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

OMB APPROVAL
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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) | | |
| Vargas Jose J. | | | AutoWeb, Inc. [AUTO] | | | <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) CHIEF REVENUE OFFICER | | |
| (Last) (First) (Middle) | | | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | | | |
| 3401 NORTH MIAMI AVE., SUITE 205 | | | 6/22/2017 | | | | | |
| (Street) | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | |
| MIAMI, FL 33127 | | | | | | <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 | 6/22/2017 | | A | | 294520 (1)(2) | A | \$12.49 (3) | 1777541 (4) | I | Held By Galeb3, Inc., Auto Holdings, Ltd., People F, Inc. and PF Holdings, Inc. (5) |

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 | | | | |
| Series B Junior Participating Convertible Stock | \$12.49 | 6/22/2017 | | M | | 22091 (6) | | (1)(2) | (7) | Common Stock | 220910 | \$0 (1)(2) | 0 | I | Held by Galeb3, Inc. (5) |
| Warrant (right to buy Series B Preferred Stock) | \$184.87 | 6/22/2017 | | M | | 19493 (6) | | (8) | 10/1/2022 | Common Stock | 194930 | \$0 (1)(2) | 0 | I | Held by Galeb3, Inc. (5) |
| Series B Junior Participating Convertible Stock | \$12.49 | 6/22/2017 | | M | | 7361 (6) | | (1)(2) | (7) | Common Stock | 73610 | \$0 (1)(2) | 0 | I | Held By People F, Inc. and PF Holdings, Inc. (5) |
| Warrant (right to buy Series B Preferred Stock) | \$184.87 | 6/22/2017 | | M | | 6495 (6) | | (8) | 10/1/2020 | Common Stock | 64952 | \$0 (1)(2) | 0 | I | Held By People F, Inc. and PF Holdings, Inc. (5) |
| Warrant (right to buy Common Stock) | \$184.87 | 6/22/2017 | | A | | 194930 (8) | | (8) | 10/1/2020 | Common Stock | 194930 | \$1.72 (9) | 0 | I | Held by Galeb3, Inc. (3) |
| Warrant (right to buy Common Stock) | \$184.87 | 6/22/2017 | | A | | 64952 (8) | | (8) | 10/1/2020 | Common Stock | 64952 | \$1.72 (9) | 0 | I | Held By People F, Inc. and PF Holdings, Inc. (3) |

Explanation of Responses:

- (1) On June 22, 2017, stockholders of the Company approved the conversion of the Company's Series B Junior Participating Convertible Preferred Stock, \$0.001 par value per share ("Series B Preferred Stock"), and the issuance of shares of the Company's Common Stock, \$0.001 par value per share ("Common Stock"), upon such conversion at a ratio of 10 shares of Common Stock for each share of Series B Preferred Stock converted. This approval also resulted in the conversion of outstanding warrants to acquire shares of Series B Preferred Stock (the "Preferred Stock Warrants") into warrants to acquire shares of Common Stock at the same conversion ratio (the "Common Stock Warrants"). The balance of the information for this footnote appears as Footnote (2).
- (2) Upon such approval, and without any action by Galeb3 (defined below), PF Holdings (defined below) and People F (defined below) were automatically issued shares of Common Stock and Common Stock Warrants upon the conversion of the shares of Series B Preferred Stock and Preferred Stock Warrants to purchase shares of Series B Preferred Stock, respectively that were owned indirectly and directly. Such issuances were exempt transactions under Rules 16b-3 and 16b-6.
- (3) Pursuant to the Certificate of Designations of the Series B Preferred Stock, the conversion price was \$12.49 per share.
- (4) Includes 7,753 shares of Common Stock owned directly by Mr. Vargas, 1,475,268 shares of Common Stock owned by Auto Holdings, 220,910 shares of Common Stock owned by Galeb3 and 73,610 shares of Common Stock owned by PF Auto and People F.
- (5) The securities are held directly by Auto Holdings Ltd., a British Virgin Islands company ("Auto Holdings"), PF Holdings, Inc. a British Virgin Islands company ("PF Holdings") and People F, Inc., a British Virgin Islands company ("People F"), of which the reporting person is an indirect owner of the securities through Galeb3, Inc., a Florida corporation ("Galeb3"). Galeb3 is wholly-owned by the reporting person and owns the equity in Auto Holdings. The reporting person is a director and officer in each of Auto Holdings, People F, Inc. and PF Holdings, Inc.
- (6) This Form 4 also corrects the number of Series B Preferred Stock and Preferred Stock Warrants filed on a Form 4 on May 20, 2016 that was initially stated that the reporting person indirectly owned 33,286 Series B Preferred Stock and 29,370 Preferred Stock Warrants which has now been allocated between the direct and indirect ownership of the reporting person for the Series B Preferred Shares and Preferred Stock Warrants through Galeb3, People F and PF Holdings.
- (7) The Series B Preferred Stock had no expiration date.
- (8) The warrants will become exercisable on October 1, 2018, subject to the satisfaction of the following additional vesting conditions: (i) with respect to the first 1/3 of the warrant shares, if at any time after the issuance date of the warrants and prior to the expiration date of the warrants the weighted average closing price of the Common Stock on The Nasdaq Capital Market for the preceding 30 trading days (adjusted for any stock splits, stock dividends, reverse stock splits or combinations of the Common Stock occurring after the issuance date) ("Weighted Average Closing Price") is at or above \$30.00; (ii) with respect to the second 1/3 of the warrant shares, if at any time after the issuance date and prior to the expiration date the Weighted Average Closing Price is at or above \$37.50; and (iii) with respect to the last 1/3 of the warrant shares, if at any time after the issuance date and prior to the expiration date the Weighted Average Closing Price is at or above \$45.
- (9) On October 1, 2015, a wholly owned subsidiary of the Company merged with AutoWeb ("Merger"). On the effective date of the Merger, the reporting person indirectly received 34,059 shares of the Series B Preferred Stock (valued at \$124.94 per Series B Preferred Stock or \$12.49 per share of Common Stock) and 30,052 of the Preferred Stock Warrants (valued at \$17.15 per Preferred Stock Warrant to purchase a share of Series B Preferred Stock or a \$1.72 per Common Stock Warrant to purchase a shares of Common Stock) in exchange for the AutoWeb common stock owned directly and indirectly by the reporting person.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Vargas Jose J. 3401 NORTH MIAMI AVE., SUITE 205 MIAMI, FL 33127 | X | X | CHIEF REVENUE OFFICER | |

Signatures

/s/ Jose J. Vargas

11/13/2017

**Signature of Reporting Person

Date

/s/ Galeb3 Inc. by /s/ Jose J. Vargas, Manager

11/13/2017

**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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