

PERFORMANT FINANCIAL CORP

Reported by
HAUGHTON JEFFREY

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 04/10/17 for the Period Ending 04/06/17

| | |
|-----------|---|
| Address | 333 North Cayons Parkway Livermore, CA 94551 |
| Telephone | 925-960-4800 |
| CIK | 0001550695 |
| Symbol | PFMT |
| SIC Code | 7380 - Miscellaneous Business Services |
| Industry | Business Support Services |
| Sector | Industrials |

FORM 4

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

OMB APPROVAL
OMB Number: 3235-0287
Estimated average burden
hours per response... 0.5

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

| | | |
|--|---|---|
| 1. Name and Address of Reporting Person * Haughton Jeffrey (Last) (First) (Middle) 333 NORTH CANYONS PARKWAY (Street) LIVERMORE, CA 94551 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol Performant Financial Corp [PFMT] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Operating Officer |
| 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">4/6/2017</p> | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |
| 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | |

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 | | | |

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 | | | | |
| Restricted Stock Units | (1) | | | | | | | (2) | (2) | Common Stock | 20000 | | 20000 (2) | D | |
| Restricted Stock Units | (1) | | | | | | | (3) | (3) | Common Stock | 82270 | | 82270 (3) | D | |
| Restricted Stock Units | (1) | | | | | | | (4) | (4) | Common Stock | 67500 | | 67500 (4) | D | |
| Restricted Stock Units | (1) | | | | | | | (5) | (5) | Common Stock | 18750 | | 18750 (5) | D | |
| Restricted Stock Units | (1) | 4/6/2017 | | A | | 96000 | | (6) | (6) | Common Stock | 60000 | \$0.00 | 96000 (6) | D | |
| Restricted Stock Units | (1) | 4/6/2017 | | A | | 64000 | | (7)(8) | (7)(8) | Common Stock | 40000 | \$0.00 | 64000 (7)(8) | D | |

Explanation of Responses:

- (1) Each restricted stock unit represents a contingent right to receive one share of PFMT's common stock. The units were awarded at no cost to Reporting Person.
- (2) Restricted Stock Unit award was granted on July 15, 2014. The remaining 20,000 units will vest on July 15, 2017 and July 15, 2018, provided that the Reporting Person remains in continuous service through each vest date.
- (3) Restricted Stock Unit Award granted on April 12, 2016 vests at a rate of 25% annually on the first, second, third and fourth anniversaries of the grant date, provided that the Reporting Person remains in continuous service through each vest date.
- (4) Restricted Stock Unit Award granted on February 22, 2016. 25% of the shares vested on March 7, 2017, with 25% more vesting on each of the first, second and third anniversaries of the initial vest date, provided that the Reporting Person remains in continuous service through each vest date.
- (5) Restricted Stock Unit Award granted on March 7, 2015. Upon the achievement of certain financial metrics the grant vested with respect to 50% of the awarded stock units on March 5, 2016, and 25% of the grant on March 5, 2017, and 25% of the grant will vest on March 5, 2018, provided that the Reporting Person remains in continuous service through each vest date.
- (6) Restricted Stock Unit Award granted on April 6, 2017 vests at a rate of 25% annually on the first, second, third and fourth anniversaries of the grant date, provided that the Reporting Person remains in continuous service through each vest date.
- (7) Restricted Stock Unit Award granted on April 6, 2017. These Restricted Stock Units shall vest over a three or four year period based upon continuing service and the trading price of PFMT's Common Stock during the relevant vesting period. Specifically, and subject to the vesting limitations described in the following sentence, the trading price for PFMT's shares will need to be sustained for 60 consecutive trading days for one of the following vesting thresholds to have been met: (1) \$2.75 stock price for 60 consecutive trading days triggers 33% vesting; (2) \$3.00 stock price for 60 consecutive trading days triggers

67% vesting; and (3) \$3.25 stock price for 60 consecutive trading days triggers 100% vesting (the "Share Price Thresholds"). Upon each of the first, second, third and fourth year anniversaries of the grant date,

- (8) (Continued from footnote 7) if the Share Price Thresholds have been achieved during the preceding year and assuming the grantee's continued service to PFMT (1) up to a maximum of 33% of the Restricted Stock Units will vest upon the Year 1 anniversary date; (2) up to 67% of the Restricted Stock Units will vest upon the Year 2 anniversary date; and (3) up to 100% of the Restricted Stock Units will vest upon Year 3 or Year 4 anniversary date. Restricted Stock Units that would vest solely on the basis of the share price thresholds but exceed the maximum vesting limitations for Year 1 or Year 2, will not vest until the subsequent anniversary date or dates (e.g., if the \$3.25 trading price threshold is attained within the Year 1, the Restricted Stock Units will vest 33% after Year 1, 67% after Year 2 and 100% after Year 3). Linear interpolation will be applied between milestones for determining vesting on the Year 3 and Year 4 anniversary dates.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Haughton Jeffrey 333 NORTH CANYONS PARKWAY LIVERMORE, CA 94551 | | | Chief Operating Officer | |

Signatures

/s/ Hakan Orvell, Attorney-in-Fact for Jeffrey R. Haughton

4/10/2017

**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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.