

DATAWATCH CORP

Reported by
TACELLI KEN

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 12/05/17 for the Period Ending 12/01/17

Address	4 CROSBY DRIVE BEDFORD, MA, 01730
Telephone	978-441-2200
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Symbol	DWCH
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Industry	Software
Sector	Technology
Fiscal Year	09/30

FORM 4

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

OMB APPROVAL
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[] 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 *			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
Tacelli Ken			DATAWATCH CORP [DWCH]			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Operating Officer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (MM/DD/YYYY)					
C/O DATAWATCH CORPORATION, 4 CROSBY DRIVE			12/1/2017					
(Street)			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
BEDFORD, MA 01730						<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	12/1/2017		A		40000	A	\$0 (1)	160000	D	
Common Stock	12/1/2017		A		5000	A	\$0 (2)	165000	D	
Common Stock	12/1/2017		A		10000	A	\$0 (3)	175000	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				

Explanation of Responses:

- The securities awarded on 12/1/2017 are in the form of restricted stock units (RSUs) issued pursuant to the Datawatch Third Amended and Restated 2011 Equity Compensation and Incentive Plan (the "Plan"). 13,333 RSUs will vest on 5/1/2019 and an additional 13,333 RSUs will vest on 5/1/2020, with the final 13,334 RSUs vesting on 5/1/2021. This vesting schedule is subject to acceleration in certain instances in connection with an acquisition or other change of control event.
- The securities awarded on 12/1/2017 are in the form of RSUs issued pursuant to the Plan. 1,666 RSUs will vest on 11/15/2018 following Datawatch's release of its fiscal 2018 earnings only if Datawatch achieves its revenue target for fiscal year 2018 as determined by the Board of Directors of Datawatch. If Datawatch achieves its annual revenue target during fiscal 2018, then (i) an additional 1,666 RSUs will vest on 11/15/2019 and (ii) the final 1,667 RSUs will vest on 11/15/2020. This vesting schedule is subject to acceleration in certain instances in connection with an acquisition or other change of control event.
- The securities awarded on 12/1/2017 are in the form of RSUs issued pursuant to the Plan. 3,333 RSUs will vest on 11/15/2018 if Datawatch achieves its revenue target for the six months ended 3/31/2018 as determined by the Board of Directors of Datawatch (the "1H Revenue Target"). If Datawatch achieves its 1H Revenue Target, then (i) an additional 3,333 RSUs will vest on 11/15/2019 and (ii) the final 3,334 RSUs will vest on 11/15/2020. This vesting schedule is subject to acceleration in certain instances in connection with an acquisition or other change of control event.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Tacelli Ken C/O DATAWATCH CORPORATION 4 CROSBY DRIVE BEDFORD, MA 01730			Chief Operating Officer	

Signatures

/s/ Robert V. Jahrling, as attorney-in-fact

12/5/2017

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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