COMMUNITY HEALTH SYSTEMS INC
Form 4
March 02, 2017

# FORM 4

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Smith Patton Paul

(Last) (First) (Middle)

4000 MERIDIAN BOULEVARD

(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
COMMUNITY HEALTH SYSTEMS INC [CYH]

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Division President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ 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. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction 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 | 03/01/2017 | | M | | 35,000 | A | $ 0 | 52,648 | D | |
| Common Stock | 03/01/2017 | | A | | 20,000 (1) | A | $ 0 | 72,648 | D | |
| Common Stock | 03/01/2017 | | F | | 4,279 | D | $ 9.19 | 68,369 | D | |

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

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SEC 1474 (9-02)

**number.**

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction 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 (Month/Day/Year) | | 7. Title and Underlying (Instr. 3 and |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Performance Based Restricted | $ 0 | 03/01/2017 | | M[(2)] | | | 35,000 | 03/01/2017 | 02/28/2026 | Common Stock |
| Performance Based Restricted | $ 0 | 03/01/2017 | | A | | 20,000 | | 03/01/2020[(3)] | 02/28/2027 | Common Stock |
| Stock Options (Right to Buy) | $ 30.32 | | | | | | | 02/24/2011 | 02/23/2020 | Common Stock |
| Stock Options (Right to Buy) | $ 34.38 | | | | | | | 02/23/2012 | 02/22/2021 | Common Stock |
| Stock Options (Right to Buy) | $ 17.49 | | | | | | | 02/16/2013 | 02/15/2022 | Common Stock |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Smith Patton Paul<br>4000 MERIDIAN BOULEVARD<br>FRANKLIN, TN 37067 | | | Division President | |

# Signatures

Christopher G. Cobb, Attorney in Fact for Patton Paul Smith — 03/02/2017

[**]Signature of Reporting Person — Date

# Explanation of Responses:

| | |
|---|---|
| * | 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). |
| **(1)** | The time-vesting restrictions on this award of restricted stock will lapse in 1/3 increments on the first, second and third anniversary of the date of grant. |
| **(2)** | The performance objectives governing these shares of Performance Based Restricted Stock have been met, and, accordingly, these shares will now be reported in Table 1 as directly owned shares of Restricted Stock. The time-vesting restrictions lapse in 1/3 increments on the first, second and third anniversary of the date of grant. |
| **(3)** | The vesting of 80% of these performance-based restricted shares is subject to the attainment of a pre-determined level of Cumulative Same-Store Adjusted EBITDA Growth between January 1, 2017 and December 31, 2019 (the "Performance Period"). The vesting of the remaining 20% of these performance-based restricted shares is subject to the attainment of a pre-determined level of Cumulative Adjusted EPS for the Performance Period. The target number (100%) of the total performance-based restricted shares is reported in the table set forth above. Between 0% and 200% of the target number of performance-based restricted shares subject to the attainment of the Cumulative Same-Store Adjusted EBITDA Growth and Cumulative Adjusted EPS criteria, as applicable, will ultimately vest on the third anniversary of the date of grant, with the vesting percentage to be determined based upon achievement with respect to the applicable criteria during the Performance Period. |

**Remarks:**

NOTE: The per share exercise price of each option listed on Table II granted prior to April 29, 2016, was adjusted pursuant to

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