

Sousa Michael  
Form 4  
March 20, 2018

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Sousa Michael

2. Issuer Name and Ticker or Trading Symbol  
HEALTHSTREAM INC [HSTM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
209 10TH AVE. SOUTH, SUITE 450

3. Date of Earliest Transaction (Month/Day/Year)  
03/19/2018

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior Vice President

(Street)  
NASHVILLE, TN 37203

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ 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. 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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	03/19/2018		M		6,753 (1)	A	\$ 0 31,914 D
Common Stock	03/19/2018		F		2,079 (2)	D	\$ 24.97 29,835 D

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

**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.**

SEC 1474 (9-02)

Edgar Filing: Sousa Michael - Form 4

**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 Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secur (Instr	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		M	1,050	<u>(4)</u>	<u>(5)</u>	Common Stock	1,050
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		M	1,341	<u>(6)</u>	<u>(5)</u>	Common Stock	1,341
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		M	2,500	<u>(7)</u>	<u>(5)</u>	Common Stock	2,500
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		D	7,500	<u>(8)</u>	<u>(5)</u>	Common Stock	7,500
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		M	1,133	<u>(9)</u>	<u>(5)</u>	Common Stock	1,133
Restricted Share Units	\$ 0 <sup>(3)</sup>	03/19/2018		M	729	<u>(10)</u>	<u>(5)</u>	Common Stock	729

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sousa Michael 209 10TH AVE. SOUTH SUITE 450 NASHVILLE, TN 37203			Senior Vice President	

## Signatures

Michael Sousa

03/20/2018

\*\*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) Shares acquired on vesting of restricted share units.
- (2) Shares withheld for payment of tax liability.
- (3) Each restricted share unit (RSU) represents the contingent right to receive one share of common stock upon vesting of the unit.
- (4) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 11, 2015, 20% vest on March 11, 2016, 30% vest on March 11, 2017, and the remaining 35% vest on March 11, 2018.
- (5) Not applicable.
- (6) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 10, 2016, 20% vest on March 10, 2017, 30% vest on March 10, 2018, and the remaining 35% vest on March 10, 2019.
- Vesting of these RSUs is contingent upon continued service at the time of vesting and the achievement of certain performance criteria. The performance criteria will be established on an annual basis by the Compensation Committee of the Board of Directors. Up to 15% vest on March 15, 2016 for the period January 1, 2015 through December 31, 2015; up to 20% vest on March 15, 2017 for the period January 1, 2016 through December 31, 2016; up to 20% vest on March 15, 2018 for the period January 1, 2017 through December 31, 2017; up to 20% vest on March 15, 2019 for the period January 1, 2018 through December 31, 2018; and up to 25% vest on March 15, 2020 for the period January 1, 2019 through December 31, 2019. Vesting will be determined based on actual performance. RSUs that do not vest during a performance period may become eligible for vesting during the next performance period. The performance criteria for 2017 was partially achieved, resulting in the vesting of 2,500 RSUs.
- (7)
- Represents the forfeiture of performance-based RSUs granted to the reporting person on September 24, 2015, which were eligible to vest based on certain annual financial performance criteria. Based on the financial performance over the applicable performance period, it was determined 2,500 RSUs would vest and 7,500 RSUs would be forfeited. Of the 7,500 RSUs forfeited, 5,000 represented RSUs granted in 2015 which failed to vest based on a performance period in 2016, but which continued to be eligible for vesting based on the achievement of catch-up performance criteria for a performance period in 2017 (as such concept is referenced in Note (7) above). Based on the financial performance over the catch-up performance period in 2017, all 5,000 of these RSUs were forfeited.
- (8)
- (9) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 17, 2017, 20% vest on March 17, 2018, 30% vest on March 17, 2019, and the remaining 35% vest on March 17, 2020.
- (10) The RSU's are subject to a four year vesting schedule, contingent upon continued service at the time of vesting. 15% vest on March 16, 2018, 20% vest on March 16, 2019, 30% vest on March 16, 2020, and the remaining 35% vest on March 16, 2021.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.