

KESSINGER WILLIAM C
Form 4
August 17, 2012

FORM 4

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

OMB APPROVAL

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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 *
KESSINGER WILLIAM C

(Last) (First) (Middle)

C/O PARTHENON CAPITAL PARTNERS, FOUR EMBARCADERO CENTER, SUITE 3610

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Performant Financial Corp [PFMT]

3. Date of Earliest Transaction
(Month/Day/Year)
03/19/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 | | | |
| Series B Preferred Stock | 03/19/2012 | | C | | 3,874,600 | A | 2 | 3,874,600 | I | See footnote (1) |
| Series B Preferred Stock | 03/19/2012 | | D | | 3,874,600 | D | 2 | 0 | I | See footnote (1) |
| Series B Preferred Stock | 06/28/2012 | | C | | 1,391,222 | A | 2 | 1,391,222 | I | See footnote (1) |

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| | | | | | | | | | |
|--|------------|--|---|-----------|---|---------|------------|---|------------------|
| Series B Preferred Stock | 06/28/2012 | | D | 1,391,222 | D | (2) | 0 | I | See footnote (1) |
| Common Stock, par value \$0.0001 per share | 03/19/2012 | | C | 3,874,600 | A | (2) | 33,954,470 | I | See footnote (1) |
| Common Stock, par value \$0.0001 per share | 06/28/2012 | | C | 1,391,222 | A | (2) | 35,345,692 | I | See footnote (1) |
| Common Stock, par value \$0.0001 per share | 08/15/2012 | | S | 4,830,282 | D | \$ 8.37 | 30,515,410 | I | See footnote (1) |
| Common Stock, par value \$0.0001 per share | 08/17/2012 | | S | 1,096,978 | D | \$ 8.37 | 29,418,432 | I | See footnote (1) |

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

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------------------|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Series A Convertible Preferred Stock | (2) | 03/19/2012 | | C | 3,874,600 | (2) | (2) | Series B Preferred Stock | 3,874, |
| Series A Convertible | (2) | 03/19/2012 | | C | 3,874,600 | (2) | (2) | Common Stock | 3,874, |

Preferred
Stock

Series A
Convertible
Preferred
Stock

(2)

06/28/2012

C

1,391,222

(2)

(2)

Series B
Preferred
Stock

1,391,

Series A
Convertible
Preferred
Stock

(2)

06/28/2012

C

1,391,222

(2)

(2)

Common
Stock

1,391,

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|--------------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| KESSINGER WILLIAM C C/O PARTHENON CAPITAL PARTNERS FOUR EMBARCADERO CENTER, SUITE 3610 SAN FRANCISCO, CA 94111 | X | X | | |

Signatures

/s/ Carol Anne Huff as
Attorney-in-Fact

08/17/2012

__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).

The reported shares are owned of record by Parthenon DCS Holdings, LLC ("DCS Holdings"). PCP Managers, LLC is the managing member of PCAP II, LLC, which is the managing member of PCAP Partners II, LLC, which is the general partner of Parthenon Investors II, L.P., which is the manager of DCS Holdings. Mr. Kessinger is a Managing Member of PCP Managers, LLC and a Managing Director (1) of Parthenon Capital Partners, a private equity firm and affiliate of PCAP Partners II, LLC, and therefore may be deemed to beneficially own the shares owned of record by DCS Holdings. Mr. Kessinger disclaims beneficial ownership of such shares, and this report shall not be deemed an admission that Mr. Kessinger is the beneficial owner of such shares for the purpose of Section 16 or for any other purpose, except, in each case, to the extent of his pecuniary interest therein.

On March 19, 2012 and June 28, 2012, DCS Holdings converted each share of Series A Convertible Preferred Stock into (i) one share of Series B Preferred Stock and (ii) one share of Common Stock. The Series A Convertible Preferred Stock was convertible by DCS Holdings into Series B Preferred Stock and Common Stock at any time and had no expiration date. The Series B Preferred Stock was (2) immediately redeemed by the issuer at a price equal to the liquidation value thereof plus all accumulated or accrued but unpaid dividends thereon. The number of shares of Series A Convertible Preferred Stock, Series B Preferred Stock and Common Stock reported in Columns 5, 7 and 9 of Table II reflects a 2-for-1 stock split of the issuer's common shares that became effective on July 26, 2012.

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