

Sprouts Farmers Market, Inc.
Form 4
August 15, 2014

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, 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 *
Nielsen James Leroy

(Last) (First) (Middle)
11811 N.TATUM BLVD, SUITE 2400
(Street)

PHOENIX, AZ 85028

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Sprouts Farmers Market, Inc. [SFM]

3. Date of Earliest Transaction (Month/Day/Year)
08/13/2014

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)
Chief Operating Officer

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 or Price | | |
| Common Stock, par value \$0.001 per share | 08/13/2014 | | M | | 43,394 A \$ 1.0864 | 51,053 | D |
| Common Stock, par value \$0.001 per share | 08/13/2014 | | M | | 81,284 A \$ 3.3255 | 132,337 | D |
| Common Stock, par | 08/13/2014 | | S | | 124,678 D \$ 29.025 | 7,659 ⁽²⁾ | D |

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value
\$0.001 per
share

(1)

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

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(9-02)

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 1.0864 | 08/13/2014 | | M | 43,394 | <u>(3)</u> 05/02/2018 | Common stock, par value \$0.001 per share | 43,394 |
| Stock Option (right to buy) | \$ 3.3255 | 08/13/2014 | | M | 81,284 | <u>(4)</u> 05/02/2018 | Common stock, par value \$0.001 per share | 81,284 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Nielsen James Leroy 11811 N.TATUM BLVD SUITE 2400 PHOENIX, AZ 85028 | | | Chief Operating Officer | |

Signatures

/s/ Brandon F. Lombardi, Attorney-in-Fact for James L. Nielsen
08/15/2014

__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) This amount represents the \$30.00 secondary public offering price per share less the underwriting discount of \$0.975 per share.
Consists of 1,000 shares of common stock and 6,659 restricted stock units. Each restricted stock unit represents the right to receive, upon vesting, one share of common stock. These restricted stock units will vest over three years, with one-third vesting on March 4, 2015;
(2) one-third vesting on March 4, 2016; and the remaining one-third vesting on March 4, 2017, assuming continued employment through the applicable vest date.
- (3) All such options are presently exercisable.
- (4) The reporting person is exercising options that are presently exercisable. Of the remaining options after giving effect to this transaction, all are presently exercisable.

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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