JOHNSON JAMES WILLIAM
Form 4
May 24, 2018

FORM 4

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

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

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
JOHNSON JAMES WILLIAM

(Last) (First) (Middle)

6001 BOLLINGER CANYON ROAD

(Street)

SAN RAMON, CA 94583

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CHEVRON CORP [CVX]

3. Date of Earliest Transaction (Month/Day/Year)
05/22/2018

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)
Executive Vice 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	05/22/2018		M		9,500	A	$ 69.7	9,500	D	
Common Stock	05/22/2018		S		9,500	D	$ 129.4429 (1)	0	D	
Common Stock								4,733 (2)	I	by 401(k) plan
Common Stock								11,552	I	by JWJ Revocable Trust
								1,000	I	

Common Stock	by Spouse Revocable Trust

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)

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 Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (Right to Buy)	$ 69.7	05/22/2018		M			9,500	(3)	03/25/2019	Common Stock	9,50

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JOHNSON JAMES WILLIAM 6001 BOLLINGER CANYON ROAD SAN RAMON, CA 94583			Executive Vice President	

Signatures

/s/ Christine L. Cavallo, Attorney-in-Fact for James William Johnson	05/24/2018
**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) This transaction was executed in multiple trades priced between $129.29 and $129.61. The price reported above reflects the weighted-average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.

(2) Between January 29, 2018 and May 22, 2018, the reporting person acquired 44 shares of Chevron common stock under the Chevron Employee Savings Investment Plan, a 401(k) plan.

(3) Option granted 3/25/2009. One-third of the shares subject to the option vested on each of the first, second and third anniversaries of the date of grant.

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. 60;

Salary and service costs
$
92.8

$
—

Office and general expenses
38.5

(123.4
)

$
131.3

$
(123.4
)

Operating Expenses: Salary and service costs tend to fluctuate in conjunction with changes in revenue. Salary and service costs increased $16.1 million in the first quarter of 2012 compared to the first quarter of 2011. This increase reflects growth in our business, as well as increased compensation costs, including freelance labor and incentive compensation. The first quarter of 2011 included approximately $92.8 million of charges related to our repositioning actions.
Office and general expenses are less directly linked to changes in our revenue than salary and service costs. Office and general expenses increased $99.5 million in the first quarter of 2012 compared to the first quarter of 2011. Office and general expenses for the first quarter of 2011 reflect a decrease of $84.9 million, which included the $123.4 million

non-cash remeasurement gain recorded in connection with the acquisition of the controlling interest in the Clemenger Group and $38.5 million of charges related to our repositioning actions.
Operating margins increased to 11.0% in 2012 from 10.2% in 2011 and EBITA margins increased to 11.7% in the first quarter of 2012 from 10.9% in the first quarter of 2011. Excluding the $131.3 million of respositioning actions and the $123.4 remeasurement gain, operating margin and EBITA margin for the first quarter of 2011 would have been 10.5% and 11.1%, respectively. The year-over-year margin improvement was driven by our strong revenue growth, as well as lower operating costs resulting from the repositioning actions taken in the first quarter of 2011, as well as other actions taken in 2011 to improve our operations, rebalance our workforce and drive efficiencies in our back office functions.
Net Interest Expense: Net interest expense decreased to $29.2 million in the first quarter of 2012, compared to $32.1 million in the first quarter of 2011. Interest expense decreased $3.4 million to $38.5 million. The reduction in interest expense is attributable to a decrease in foreign and other borrowings. Interest income decreased $0.5 million to $9.3 million in the first quarter of 2012. The decrease in interest income is attributable to lower foreign cash balances available for investment.
Income Taxes: Our effective tax rate for the first quarter of 2012 increased to 32.8%, compared to 25.5% for the first quarter of 2011. The effective tax rate for the first quarter of 2011 was effected by the following items recorded (dollars in millions):

	Increase (Decrease)	
	Income Before Income Taxes	Income Tax Expense
Repositioning actions	$ (131.3)	$ (39.5)
Remeasurement gain	123.4	2.8
Accrual for uncertain tax positions	—	9.0
	$ (7.9)	$ (27.7)

The tax benefit on the repositioning actions was calculated based on the jurisdictions where the charges were incurred and reflects the likelihood that we will be unable to obtain a tax benefit for all charges incurred. The remeasurement gain resulting from the acquisition of the controlling interest in Clemenger created a difference between the book basis and tax basis of our investment. Because this basis difference is not expected to reverse, no deferred taxes were provided and the tax provision

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recorded represents the incremental U.S. tax on acquired historical unremitted earnings. The $9.0 million charge resulted from adjustments to U.S. income tax returns for calendar years 2005, 2006 and 2007, that were agreed upon and recorded in the first quarter of 2011. The examination of those returns is closed.

Net Income Per Common Share - Omnicom Group Inc.: For the foregoing reasons, net income - Omnicom Group Inc. in the first quarter of 2012 increased $2.7 million, or 1.3%, to $204.6 million, compared to $201.9 million in the first quarter of 2011. Diluted net income per common share - Omnicom Group Inc. increased 4.3% to $0.72 in the first quarter of 2012, compared to $0.69 in the first quarter of 2011 due to the factors described above, as well as the impact of the reduction in our weighted average common shares outstanding. This reduction was the result of repurchases of our common stock during 2011 through the first quarter of 2012, net of stock option exercises and shares issued under our employee stock purchase plan.

Critical Accounting Policies

For a more complete understanding of all of our accounting policies, our financial statements and the related management’s discussion and analysis of those results, readers are encouraged to consider this information together with our discussion of our critical accounting policies under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2011 Form 10-K.

New Accounting Standards

See Note 2 to our unaudited condensed consolidated financial statements for additional information.

Liquidity and Capital Resources

Cash Sources and Requirements, Including Contractual Obligations

Historically, the majority of our non-discretionary cash requirements have been funded from operating cash flow and cash on hand. Working capital is our principal non-discretionary funding requirement. In addition, we have contractual obligations related to our senior notes and convertible notes, our recurring business operations, primarily related to lease obligations, as well as certain contingent acquisition obligations (earn-outs) related to acquisitions made in prior years.

Our principal discretionary cash requirements include dividend payments to our shareholders, capital expenditures, payments for strategic acquisitions and repurchases of our common stock. In addition, we pay dividends to shareholders of noncontrolling interests in our subsidiaries.

Our discretionary spending is funded from operating cash flow and cash on hand. In addition, depending on the level of our discretionary activity, we may use other available sources of funding such as issuing commercial paper, borrowing under our Credit Agreement or other long-term borrowings to finance these activities. We expect that we should be able to fund both our discretionary and non-discretionary cash requirements for the remainder of 2012 without incurring additional long-term debt. However, we may access the capital markets at any time if favorable conditions exist.

We have a seasonal cash requirement normally peaking during the second quarter primarily due to the timing of payments for incentive compensation, income taxes and contingent acquisition obligations. This typically results in a net borrowing requirement that decreases over the course of the year and at the end of the calendar year we expect to have cash invested.

At March 31, 2012, our cash and cash equivalents decreased by $278.5 million from December 31, 2011. During the first three months of 2012, we used $0.5 million of cash in operations. Our discretionary spending during the period was comprised primarily of: dividend payments of $69.8 million, capital expenditures of $45.6 million, repurchases of our common stock of $254.7 million and acquisition payments of $30.4 million. Our total discretionary spending for the three months ended March 31, 2012 was $400.5 million compared to $641.6 million for the three months ended March 31, 2011.

Cash Management

We manage our cash and liquidity centrally through our regional treasury centers in North America, Europe and Asia. The regional treasury centers are managed by our wholly-owned finance subsidiaries. Each day, operations with excess funds invest these funds with their regional treasury center. Likewise, operations that require funding borrow funds from their regional treasury center. The treasury centers aggregate the net position which is either invested with or borrowed from third parties. To the extent that our treasury centers require liquidity, they have the ability to access local currency uncommitted lines of credit or the Credit Agreement or issue up to a total of $1.5 billion of U.S. Dollar-denominated commercial paper. This process enables us to manage our debt balances more efficiently and utilize our cash more effectively, as well as better manage our risk to foreign exchange changes. In countries where we either do not conduct treasury operations or it is not feasible for one of our treasury centers to fund net borrowing requirements on an intercompany basis, we arrange for local currency uncommitted lines of credit.

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Our cash and cash equivalents decreased $278.5 million and our short-term investments decreased $18.0 million from December 31, 2011. Short-term investments principally consist of time deposits with financial institutions that we expect to convert into cash within our current operating cycle, generally one year.

At March 31, 2012, our foreign subsidiaries held $1,428.4 million of our cash and cash equivalents. These funds are used to manage the day-to-day liquidity requirements of our international operations. The majority of this cash is available to us, net of any taxes payable upon repatriation to the United States. Changes in international tax rules or changes in U.S. tax rules and regulations covering international operations and foreign tax credits may affect our future reported financial results or the way we conduct our business.

We have policies governing counterparty credit risk with banks that hold our cash and cash equivalents. Generally, in countries where we conduct treasury operations, the bank counterparties are either branches or subsidiaries of institutions that are party to our Credit Agreement. These banks have credit ratings equal to or better than our credit ratings. We have risk management limits for each of these banks and we monitor the global exposure on a daily basis. In countries where we do not conduct treasury operations, we ensure that all cash is held by bank counterparties that meet criteria based on credit ratings and other factors.

Debt Instruments and Related Covenants

We have committed and uncommitted lines of credit. We have a $2.5 billion committed line of credit ("Credit Agreement") with a consortium of banks expiring on October 12, 2016. The Credit Agreement provides support for outstanding commercial paper issuances, as well as back-up liquidity in the event that any of our convertible notes are put back to us. Outstanding commercial paper issuances are considered the equivalent of drawings under the Credit Agreement.

Depending on market conditions at the time, we typically fund our day-to-day liquidity by issuing commercial paper, borrowing under our uncommitted lines of credit or drawing on our Credit Agreement. At March 31, 2012, there were no outstanding commercial paper issuances or borrowings under the Credit Agreement.

For the quarter ended March 31, 2012, commercial paper activity was (dollars in millions):

Average amount outstanding during the quarter	$353.8	
Maximum amount outstanding during the quarter	$683.8	
Total issuances during the quarter	$4,271.4	
Average days outstanding	7.5	
Weighted average interest rate	0.40	%

At March 31, 2012, we had short-term borrowings of $11.7 million that were comprised of bank overdrafts and lines of credit of our international subsidiaries. These bank overdrafts and lines of credit are treated as unsecured loans pursuant to the bank agreements supporting the facilities.

The Credit Agreement contains financial covenants that restrict our ability to incur indebtedness as defined in the agreement. These financial covenants limit the ratio of total consolidated indebtedness to total consolidated EBITDA (under the Credit Agreement, EBITDA is defined as earnings before interest, taxes, depreciation and amortization) to no more than 3.0 times. We are also required to maintain a minimum ratio of consolidated EBITDA to interest expense of at least 5.0 times. At March 31, 2012, we were in compliance with these covenants, as our ratio of debt to EBITDA was 1.6 times and our ratio of EBITDA to interest expense was 12.9 times. The Credit Agreement does not limit our ability to declare or pay dividends.

At March 31, 2012, outstanding debt, amounts available under the Credit Agreement, unamortized discount and deferred gain on interest rate swaps were (in millions):

	Debt Outstanding	Available Credit
Short-term borrowings (due in less than one year)	$11.7	$—
Outstanding Commercial Paper issuances	—	—
Borrowings under the Credit Agreement	—	2,500.0
5.90% Senior Notes due April 15, 2016	1,000.0	—
6.25% Senior Notes due July 15, 2019	500.0	—
4.45% Senior Notes due August 15, 2020	1,000.0	—
Convertible notes due July 31, 2032	252.7	—
Convertible notes due June 15, 2033	0.1	—
Convertible notes due July 1, 2038	406.6	—
Other debt	0.5	—
Unamortized discount on Senior Notes	(7.3)	—
Deferred gain from termination of interest rate swaps on Senior Notes due 2016	28.6	—
	$3,192.9	$2,500.0

Credit Markets and Availability of Credit

We will continue to take actions available to us to respond to changing economic conditions and actively manage our discretionary expenditures. We will continue to monitor and manage the level of credit made available to our clients. We believe that these actions, in addition to the availability of our Credit Agreement, are sufficient to fund our working capital needs and our discretionary spending.

In funding our day-to-day liquidity, we have historically been a participant in the commercial paper market. We expect to continue funding our day-to-day liquidity through the commercial paper market. However, prior disruptions in the credit markets led to periods of illiquidity in the commercial paper market and higher credit spreads. During these periods of disruption, we used our uncommitted lines of credit and borrowed under our Credit Agreement to mitigate these conditions and to fund our day-to-day liquidity. We will continue to closely monitor our liquidity and the credit markets. We cannot predict with any certainty the impact on us of any future disruptions in the credit markets.

The next date on which holders of our 2032 Notes can put their notes back to us for cash is July 31, 2012. The next date on which holders of our 2038 Notes can put their notes back to us for cash is June 17, 2013. If our convertible notes are put back to us, based on our current financial condition and expectations, we expect to have sufficient available cash and unused credit commitments to fund any repurchase. Although such borrowings would reduce the amount available under our Credit Agreement to fund our cash requirements, we believe that we have sufficient capacity under these commitments to meet our cash requirements for the normal course of our business operations after any repurchase.

Credit Risk

We provide marketing and corporate communications services to thousands of clients who operate in nearly every industry sector of the global economy and in the normal course of business, we grant credit to qualified clients. Due to the diversified nature of our client base, we do not believe that we are exposed to a concentration of credit risk as our largest client accounted for 2.5% of our revenue for the first quarter of 2012 and no other client accounted for more than 2.4% of our revenue for the first quarter of 2012. However, during periods of economic downturn, the credit profiles of our clients could change.

In the normal course of business, we often enter into contractual commitments with media providers and agreements with production companies on behalf of our clients at levels that can substantially exceed the revenue from our services. Many of our agencies purchase media for our clients and act as an agent for a disclosed principal. These commitments are included in accounts payable when the media services are delivered by the media providers. While operating practices vary by country, media type and media vendor, in the United States and certain foreign markets, many of our contracts with media providers specify that if our client defaults on its payment obligation, then we are not liable to the media providers under the theory of sequential liability until we have been paid for the media by our client. In other countries, we manage our risk in other ways,

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including evaluating and monitoring our clients' creditworthiness and in many cases, obtaining credit insurance or requiring payment in advance. Further, in cases where we are committed to a media purchase and it becomes apparent that a client may be unable to pay for the media, options are potentially available to us in the marketplace, in addition to those cited above to mitigate the potential loss, including negotiating with media providers. In addition, our agencies incur production costs on behalf of clients. We usually act as an agent for a disclosed principal in the procurement of these services. We manage the risk of payment default by the client by having the production companies be subject to sequential liability or requiring at least partial payment in advance from our client. However, the agreements entered into, as well as the production costs incurred, are unique to each client. We have not experienced a material loss related to media purchases or production costs incurred on behalf of our clients. However, the risk of a material loss could significantly increase in a severe economic downturn.

ITEM 3. QUANTATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a global service business, we operate in multiple foreign currencies and issue debt in the capital markets. In the normal course of business, we are exposed to foreign currency fluctuations and the impact of interest rate changes. We limit these risks through risk management policies and procedures, including the use of derivatives. For foreign currency exposure, derivatives are used to better manage the cash flow volatility arising from foreign exchange rate fluctuations. For interest rate exposure, derivatives have been used to manage the related cost of debt.

As a result of using derivative instruments, we are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we have a policy of only entering into contracts with carefully selected major financial institutions based on credit ratings and other factors.

Our 2011 Form 10-K provides a detailed discussion of the market risks affecting our operations. No material change has occurred in our market risks since the disclosure contained in our 2011 Form 10-K. See our discussion regarding current economic conditions in Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Executive Summary and Liquidity and Capital Resources sections.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within applicable time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, as appropriate to allow timely decisions regarding required disclosure. We conducted an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2012. Based on that evaluation, our CEO and CFO concluded that, as of March 31, 2012, our disclosure controls and procedures are effective to ensure that decisions can be made timely with respect to required disclosures, as well as ensuring that the recording, processing, summarization and reporting of information required to be included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 are appropriate.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. KPMG LLP, an independent registered public accounting firm that audited our consolidated financial statements included in our 2011 Form 10-K, has issued an attestation report on Omnicom's internal control over financial reporting as of December 31, 2011, dated February 17, 2012.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information regarding legal proceedings described in Note 13 to the unaudited condensed consolidated financial statements set forth in Part I of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Item 1A in our 2011 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock repurchase activity during the three months ended March 31, 2012 was:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 2012	1,240,877	$44.17	—	—
February 2012	1,187,261	$48.78	—	—
March 2012	2,872,912	$49.41	—	—
	5,301,050	$48.04	—	—

During the three months ended March 31, 2012, we purchased 4,902,805 shares of our common stock in the open market for general corporate purposes and withheld 398,245 shares from employees to satisfy estimated tax obligations primarily related to stock option exercises and vesting of restricted stock. The value of the common stock withheld was based on the closing price of our common stock on the applicable exercise or vesting date.

There were no unregistered sales of our equity securities during the three months ended March 31, 2012.

Item 6. Exhibits

(a) Exhibits

12	Computation of Ratio of Earnings to Fixed Charges.
31.1	Certification of the Chief Executive Officer and President required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and President and the Executive Vice President and Chief Financial Officer required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.
101	Interactive Data File.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OMNICOM GROUP INC.

Dated: April 17, 2012

/s/ Randall J. Weisenburger

Randall J. Weisenburger
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)

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