

PENNYMAC FINANCIAL SERVICES, INC.

Form 4

April 05, 2017

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 *
Perotti Daniel Stanley

2. Issuer Name and Ticker or Trading Symbol
PENNYMAC FINANCIAL SERVICES, INC. [PFSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/03/2017

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

C/O PENNYMAC FINANCIAL SERVICES, INC., 3043 TOWNSGATE ROAD

(Street)

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

WESTLAKE VILLAGE, CA 91361

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Class A Common Stock | 04/03/2017 | | M | 6,079 (1) | A \$ 0 | 15,964 (2) | 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)

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 of Underlying Security (Instr. 3) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Performance-Based Restricted Stock Units | \$ 0 ⁽³⁾ | 04/03/2017 | | A | 6,079 | ⁽³⁾ | ⁽³⁾ | Class Comm Stock |
| Performance-Based Restricted Stock Units | \$ 0 ⁽³⁾ | 04/03/2017 | | M | 6,079 | ⁽³⁾ | ⁽³⁾ | Class Comm Stock |
| Cl A Units of Private Nat'l Mortgage Acceptance Company, LLC | ⁽⁴⁾ | | | | | ⁽⁴⁾ | ⁽⁴⁾ | Class Comm Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 21.03 | | | | | 06/13/2014 | 06/12/2023 | Class Comm Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 17.26 | | | | | 02/26/2015 | 02/25/2024 | Class Comm Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 17.52 | | | | | 03/03/2016 | 03/02/2025 | Class Comm Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 11.28 | | | | | 03/07/2017 | 03/06/2026 | Class Comm Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 18.05 | | | | | 03/06/2018 | 03/05/2027 | Class Comm Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------|-------|
| | Director | 10% Owner | Officer | Other |
| Perotti Daniel Stanley C/O PENNYMAC FINANCIAL SERVICES, INC. | | | Deputy CFO | |

3043 TOWNSGATE ROAD
WESTLAKE VILLAGE, CA 91361

Signatures

/s/ Derek W. Stark, attorney-in-fact for Mr.
Perotti

04/05/2017

__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) Shares of Class A Common Stock acquired pursuant to the payout of a performance-based restricted stock unit granted to the Reporting Person on February 26, 2014.
- (2) The reported amount consists of 9,002 restricted stock units and 6,962 shares of Class A Common Stock. The restricted stock units are to be settled in an equal number of shares of Class A Common Stock upon vesting.

This award vested on April 3, 2017 and the payout of shares of Class A Common Stock pursuant to the award was determined based on the Issuer's total stockholder return (TSR) (50% of the award) and earnings per share (EPS) (50% of the award) for the period of January 1, 2014 through December 31, 2016 as measured against the target performance goals set by the Compensation Committee of the Board of Directors when the award was granted in 2014. The payout percentages for the TSR and EPS portions of the award were 0% and 89.9%, respectively.
- (3) Pursuant to the terms of an exchange agreement, Class A Units of Private National Mortgage Acceptance Company, LLC are exchangeable for shares of Class A Common Stock of the Issuer on a one-for-one basis, subject to customary conversion rate adjustments, from and after the closing of PennyMac Financial, Inc.'s initial public offering, and after the expiration of a lock-up agreement.
- (4) This nonstatutory stock option to purchase 2,523 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of the first, second and third anniversaries of the grant date, subject to the Reporting Person's continued service through each date.
- (5) This nonstatutory stock option to purchase 16,881 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of February 26, 2015, 2016 and 2017, subject to the Reporting Person's continued service through each date.
- (6) This nonstatutory stock option to purchase 16,481 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 3, 2016, 2017 and 2018, subject to the Reporting Person's committed service through each date.
- (7) This nonstatutory stock option to purchase 16,615 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 7, 2017, 2018 and 2019, subject to the Reporting Person's committed service through each date.
- (8) This nonstatutory stock option to purchase 22,506 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 6, 2018, 2019 and 2020, subject to the Reporting Person's committed service through each date.
- (9)

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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