

SHARPS COMPLIANCE CORP

Form 4/A

September 26, 2014

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Davis Gregory C

2. Issuer Name and Ticker or Trading
Symbol
SHARPS COMPLIANCE CORP
[SMED]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
9220 KIRBY DRIVE, SUITE 500
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
09/25/2014

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Vice President of Operations

HOUSTON, TX 77054

4. If Amendment, Date Original
Filed(Month/Day/Year)
08/28/2014

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Se (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Sharps Compliance Stock Plan Option Cancellation	\$ 4.32	09/25/2014	D ⁽¹⁾⁽²⁾		25,000	08/26/2015 ⁽³⁾	08/26/2021		Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Davis Gregory C 9220 KIRBY DRIVE SUITE 500 HOUSTON, TX 77054			Vice President of Operations	

Signatures

Celina Sanchez 09/26/2014

 **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).

On August 26, 2014, the Company's Compensation Committee of the Board of Directors authorized the granting to Mr. Davis and other executive officers of the Company stock option awards to acquire shares of Common Stock (the "Stock Options") under Part I and Part II of the Executive Incentive Compensation Plan (the "Plan") at an exercise price of \$4.32 per share reflecting the quoted end of trading day market price of the underlying Common Stock at the date of grant. Prior to issuing such stock option grants, the Company realized that there were not enough shares reserved for issuance of the stock options under the Sharps Compliance Corp. 2010 Stock Plan (the "2010 Plan"). Therefore, on September 25, 2014, the Board of Directors cancelled the Stock Options and entered into an Option Cancellation Agreement ("Agreement") with Mr. Davis.

(1) In September 2014, the Board of Directors approved that the Company recommend to the stockholders of the Company that the 2010 Plan be amended to increase the number of shares of Common Stock available for awards thereunder from 1,000,000 to 3,000,000 in conjunction with the Annual Stockholder Meeting scheduled for November 20, 2014. This recommendation will be included in the Company's 2014 Proxy Statement.

(2) The Stock Options vested as follows: one-fourth on August 26, 2015, one-fourth on August 26, 2016, one-fourth on August 26, 2017 and one-fourth on August 26, 2018.

(3) The Agreement provides for Mr. Davis to receive (i) new options to acquire the same number of shares of Common Stock as described in such Stock Options, subject to approval of the stockholders of the increase in number of shares available under the 2010 Plan, at an exercise price equal to the greater of \$4.32 or the "fair market value" (as defined in the 2010 Plan) of the shares of the Common Stock on the new grant date (the "New Exercise Price") and (ii) Additional Consideration.

(5)

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Related to the Additional Consideration, the Agreement provides for Mr. Davis to receive either, at the Board of Directors' discretion, (a) payment of an amount in cash equal to the number of shares of Common Stock covered by Mr. Davis's Stock Options, multiplied by the excess, if any, of the New Exercise Price over the exercise price per share of Common Stock covered by such Stock Options, less all tax withholding required by applicable law, (b) the grant of new option or options ("Additional Options") with an aggregate value equal to the number of shares of Common Stock covered by Mr. Davis's Stock Options, multiplied by the excess, if any, of the New Exercise Price over the exercise price per share of Common Stock covered by such Stock Options, with the number of Additional Options to be determined as the aggregate value divided by the value of a single option on the new grant date as determined using the Black-Scholes valuation method, or (c) a combination of (a) and (b).

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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