

Rao Gnaneshwar B.
Form 4
May 20, 2011

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
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Rao Gnaneshwar B.

2. Issuer Name **and** Ticker or Trading
Symbol

MONEYGRAM INTERNATIONAL
INC [MGI]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

C/O THOMAS H. LEE PARTNERS,
L.P., 100 FEDERAL STREET,
35TH FLOOR

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

(Street)

BOSTON, MA 02110

(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	(A) or (D) Price			
Common Stock	05/18/2011		M		279,074,306	A \$ 2.5	279,074,306	I	See Note (1) (2)
Common Stock (3) (4)	05/18/2011		A		27,438,825	A (3) (4)	306,513,131	I	See Note (1) (2)
Common Stock (5)							48,878	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 and Amount Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Series B Participating Convertible Preferred Stock	\$ 2.5	05/18/2011		M		482,274.016		<u>(8)</u>	<u>(6)</u>	Common Stock	279

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Rao Gnaneshwar B.
C/O THOMAS H. LEE PARTNERS, L.P.
100 FEDERAL STREET, 35TH FLOOR
BOSTON, MA 02110

X

Signatures

/s/ Gnaneshwar

B. Rao

05/20/2011

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) The reporting person is a member of Thomas H. Lee Advisors, LLC, which is the general partner of Thomas H. Lee Partners, L.P., THL Coinvestment Partners, L.P. ("Coinvest") and THL Operating Partners, L.P. ("Operating"). Thomas H. Lee Partners, L.P. is the manager of THL Equity Advisors VI, LLC, which, in turn, is the general partner of Thomas H. Lee Equity Fund VI, L.P. ("Equity"), Thomas H. Lee Parallel Fund VI, L.P. ("Parallel"), Thomas H. Lee Equity Parallel (DT) Fund VI, L.P. ("DT") and THL Equity Fund VI Investors (MoneyGram), LLC (together with Equity, Parallel, DT, Coinvest and Operating, the "Funds"). As such, the reporting person may be deemed to beneficially own the shares of the Issuer owned directly by each of the Funds.

(2) (continuation of Footnote 1) - The reporting person disclaims beneficial ownership of such shares, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for the purpose of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.

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The shares set forth in box 4 of this row were acquired from the Issuer pursuant to that certain Recapitalization Agreement (the "Recapitalization Agreement"), by and among the Issuer and the Investors party thereto dated March 7, 2011, as amended May 4, 2011. Pursuant to the Recapitalization Agreement (i) the holders of the Series B Participating Convertible Preferred Stock ("Series B Stock") set forth in Table II agreed (subject to the satisfaction or waiver of certain conditions) to convert all of their shares of Series B Stock into Common Stock in accordance with the Certificate of Designations, Preferences and Rights of the Series B Stock (the "Series B Certificate of Designations") and (ii) as an inducement to holders of the Series B Stock set forth in Table II to convert their Series B Stock and thereby forgo the rights to liquidation preferences and future dividends provided for in the Series B Certificate of Designations,

- (3) (continuation of Footnote 3) - the Issuer agreed to pay consideration consisting of cash and the additional shares of Common Stock set forth in box 4 of this row of Table I. On May 18, 2011, the transactions contemplated by the Recapitalization Agreement were consummated, and among other actions, the shares of Series B Stock set forth in Table II were converted into Common Stock in accordance with the Series B Certificate of Designations (as set forth in Table II and the first row of Table I), and the Issuer issued the additional shares of Common Stock set forth in box 4 of this row of Table I to the persons previously holding the Series B Stock set forth in Table II. The closing market price per share of the Issuer's Common Stock on May 18, 2011 was \$3.40.
- (4) Securities reported in this row represent restricted stock units, which were granted by the Issuer in connection with the reporting person's services as a director, which were granted on May 26, 2010 and May 11, 2011.
- (5) The Series B Participating Convertible Preferred Stock had no expiration date.
- (6) Not applicable.
- (7) Immediately exercisable.

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.