Palo Alto Networks Inc
Form 4
July 25, 2012

# FORM 4

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

**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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SC XI MANAGEMENT LLC

(Last) (First) (Middle)

3000 SAND HILL ROAD 4-250

(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Palo Alto Networks Inc [PANW]

3. Date of Earliest Transaction (Month/Day/Year)
07/25/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ 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 | 07/25/2012 | | C | | 335,396 | A | (1) | 335,396 | I | By Sequoia Technology Partners XI, LP (2) |
| Common Stock | 07/25/2012 | | C | | 1,155,116 | A | (1) | 1,155,116 | I | By Sequoia Capital XI Principals Fund, LLC (2) |
| Common Stock | 07/25/2012 | | C | | 10,617,630 | A | (1) | 10,617,630 | I | By Sequoia Capital XI LP (2) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Common Stock | 07/25/2012 | | C | 16,150 | A | (1) | 16,150 | I | By Sequoia Capital Growth Partners III, LP (3) |
| Common Stock | 07/25/2012 | | C | 76,202 | A | (1) | 76,202 | I | By Sequoia Capital Growth III Principals Fund, LLC (3) |
| Common Stock | 07/25/2012 | | C | 1,475,592 | A | (1) | 1,475,592 | I | By Sequoia Capital Growth Fund III, LP (3) |

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 of Underlying Securities (Instr. 3 and 4) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Series A-1 Preferred Stock | (1) | 07/25/2012 | | C | | | 6,690 | (1) | (1) | Common Stock | 6,690 |
| Series A-1 Preferred Stock | (1) | 07/25/2012 | | C | | | 23,038 | (1) | (1) | Common Stock | 23,038 |
| Series A-1 Preferred Stock | (1) | 07/25/2012 | | C | | | 211,772 | (1) | (1) | Common Stock | 211,772 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Series A-2 Preferred Stock | (1) | 07/25/2012 | C | 242,600 | (1) | (1) | Common Stock | 242,600 |
| Series A-2 Preferred Stock | (1) | 07/25/2012 | C | 835,528 | (1) | (1) | Common Stock | 835,528 |
| Series A-2 Preferred Stock | (1) | 07/25/2012 | C | 7,680,022 | (1) | (1) | Common Stock | 7,680,02 |
| Series B Preferred Stock | (1) | 07/25/2012 | C | 66,089 | (1) | (1) | Common Stock | 66,089 |
| Series B Preferred Stock | (1) | 07/25/2012 | C | 227,612 | (1) | (1) | Common Stock | 227,612 |
| Series B Preferred Stock | (1) | 07/25/2012 | C | 2,092,167 | (1) | (1) | Common Stock | 2,092,16 |
| Series C Preferred Stock | (1) | 07/25/2012 | C | 20,017 | (1) | (1) | Common Stock | 20,017 |
| Series C Preferred Stock | (1) | 07/25/2012 | C | 68,938 | (1) | (1) | Common Stock | 68,938 |
| Series C Preferred Stock | (1) | 07/25/2012 | C | 633,669 | (1) | (1) | Common Stock | 633,669 |
| Series C Preferred Stock | (1) | 07/25/2012 | C | 16,150 | (1) | (1) | Common Stock | 16,150 |
| Series C Preferred Stock | (1) | 07/25/2012 | C | 76,202 | (1) | (1) | Common Stock | 76,202 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Series C Preferred Stock | (1) | 07/25/2012 | C | 1,475,592 | (1) | (1) | Common Stock | 1,475,59 |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| SC XI MANAGEMENT LLC<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SCGF III MANAGEMENT LLC<br>3000 SAND HILL ROAD, 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA CAPITAL GROWTH FUND III<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA CAPITAL GROWTH III PRINCIPALS FUND<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA CAPITAL GROWTH PARTNERS III<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA CAPITAL XI<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA CAPITAL XI PRINCIPALS FUND<br>3000 SAND HILL ROAD 4-250<br>MENLO PARK, CA 94025 | | X | | |
| SEQUOIA TECHNOLOGY PARTNERS XI<br>3000 SAND HILL ROAD, 4-250<br>MENLO PARK, CA 94025 | | X | | |

# Signatures

| | |
|---|---|
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SCGF III Management, LLC | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SCGF III Management, LLC, the General Partner of Sequoia Capital Growth Fund III, L.P. | 07/25/2012 |
| **Signature of Reporting Person | Date |

| | |
|---|---|
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SCGF III Management, LLC, the Managing Member of Sequoia Capital Growth III Principals Fund LLC | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SCGF III Management, LLC, the General Partner of Sequoia Capital Growth Partners III, L.P. | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SC XI Management, LLC | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SC XI Management, LLC, the General Partner of Sequoia Capital XI, L.P. | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SC XI Management, LLC, the Managing Member of Sequoia Capital XI Principals Fund LLC | 07/25/2012 |
| **Signature of Reporting Person | Date |
| /s/ Melinda Dunn, by power of attorney for Douglas Leone, a Managing Member of SC XI Management, LLC, the General Partner of Sequoia Technology Partners XI, L.P. | 07/25/2012 |
| **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)** Each share of Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock automatically converted into Common Stock on a 1-for-1 basis immediately prior to the closing of the Issuer's initial public offering of Common Stock and had no expiration date.

**(2)** SC XI Management, LLC ("SC XI Management") is the general partner of Sequoia Capital XI, LP and Sequoia Technology Partners XI, LP and is the managing member of Sequoia Capital XI Principals Fund, LLC. As a result, SC XI Management may be deemed to share voting and dispositive power with respect to the shares held by Sequoia Capital XI, LP, Sequoia Technology Partners XI, LP and Sequoia Capital XI Principals Fund, LLC. Each of the filing persons disclaims beneficial ownership of these securities except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.

**(3)** SCGF III Management, LLC ("SCGF III Management") is the general partner of Sequoia Capital Growth Fund III, LP and Sequoia Capital Growth Partners III, LP and is the managing member of Sequoia Capital Growth III Principals Fund, LLC. As a result, SCGF III Management may be deemed to share voting and dispositive power with respect to the shares held by Sequoia Capital Growth Fund III, LP, Sequoia Capital Growth Partners III, LP and Sequoia Capital Growth III Principals Fund, LLC. Each of the filing persons disclaims beneficial ownership of these securities except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.

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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