

WITTY KAREY L
Form 4
February 01, 2012

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
WITTY KAREY L

(Last) (First) (Middle)

**9009 CAROTHERS
PARKWAY, SUITE 501**

(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

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

HealthSpring, Inc. [HS]

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

01/31/2012

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 _____ Other (specify
below) below)

Exec VP and CFO

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) |
|---------------------------------------|---|---|---|--|--|--|---|
| Common Stock | 01/31/2012 | | D | (A) or (D) Amount (1) 15,323 | (2) 26,429 | D | |
| Common Stock | 01/31/2012 | | D | (3) 5,000 | 0 | D | |
| Common Stock | 01/31/2012 | | D | (4) 14,302 | 0 | D | |
| Common Stock | 01/31/2012 | | D | (5) 7,127 | 0 | D | |
| Common Stock | 01/31/2012 | | A | (6) 7,127 \$ 0 | 7,127 | D | |

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Common Stock 01/31/2012 D 7,127 D 0 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 Number Shares |
| Employee Stock Option (right to buy) | \$ 13.29 | 01/31/2012 | | D | 116,000 | <u>(8)</u> 08/07/2019 | Common Stock 116,000 |
| Employee Stock Option (right to buy) | \$ 17.82 | 01/31/2012 | | D | 82,418 | <u>(9)</u> 02/11/2020 | Common Stock 82,418 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| WITTY KAREY L 9009 CAROTHERS PARKWAY SUITE 501 FRANKLIN, TN 37067 | Exec VP and CFO |

Signatures

/s/ J. Gentry Barden, 02/01/2012
Attorney-in-Fact

__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) Includes 5,323 restricted shares of Company common stock which, upon the effective time of the merger (as described below), accelerated and fully vested pursuant to the terms of the HealthSpring, Inc. Management Stock Purchase Plan.

(2) Pursuant to the terms of the Agreement and Plan of Merger, dated as of October 24, 2011, by and among HealthSpring, Inc. (the "Company"), Cigna Corporation ("Cigna") and Cigna Magnolia Corp., an indirect wholly-owned subsidiary of Cigna, each share of the Company's common stock owned by the reporting person immediately prior to the effective time of the merger was, upon the effective time of the merger, converted into the right to receive \$55.00 per share in cash, without interest and less any applicable withholding taxes.

- (3) Pursuant to the Merger Agreement, at the effective time of the merger, this award of restricted shares of Company common stock granted under the HealthSpring, Inc. 2006 Amended and Restated Equity Incentive Plan (the "2006 Plan") was assumed by Cigna and replaced with an award of 6,189 restricted shares of Cigna common stock. This award, which initially represented an award of 10,000 restricted shares of Company common stock (restrictions previously lapsed with respect to 5,000 shares), provided for restrictions with respect to these shares to lapse as follows: 25% on July 1, 2010; 25% on July 1, 2011; 25% on July 1, 2012; and 25% on July 1, 2013.

- (4) Pursuant to the Merger Agreement, at the effective time of the merger, this award of restricted shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an award of 17,704 restricted shares of Cigna common stock. This award provided for restrictions with respect to these shares to lapse as follows: 50% on February 11, 2012; 25% on February 11, 2013; and 25% on February 11, 2014.

- (5) Pursuant to the Merger Agreement, at the effective time of the merger, this award of restricted shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an award of 8,822 restricted shares of Cigna common stock. This award provided for restrictions with respect to these shares to lapse as follows: 50% on March 7, 2013; 25% on March 7, 2014; and 25% on March 7, 2015.

- (6) The reporting person was previously awarded 7,127 restricted shares of Company common stock under the 2006 Plan that vested over time based on future Company performance. Pursuant to the terms of the award, upon the effective time of the merger, the performance goals were deemed to have been met. The award provided for restrictions with respect to these shares to then lapse as follows: 50% on March 7, 2013; 25% on March 7, 2014; and 25% on March 7, 2015.

- (7) Pursuant to the Merger Agreement, at the effective time of the merger, this award of restricted shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an award of 8,822 restricted shares of Cigna common stock.

- (8) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 143,595 shares of Cigna common stock for \$10.74 per share. This option, which initially represented a right to purchase a total of 125,000 shares of Company common stock (previously exercised with respect to 9,000 shares), provided for vesting as follows: 25% on July 1, 2010; 25% on July 1, 2011; 25% on July 1, 2012; and 25% on July 1, 2013.

- (9) Pursuant to the Merger Agreement, at the effective time of the merger, this option to purchase shares of Company common stock granted under the 2006 Plan was assumed by Cigna and replaced with an option to purchase 102,024 shares of Cigna common stock for \$14.40 per share. The option provided for vesting as follows: 50% on February 11, 2012; 25% on February 11, 2013; and 25% on February 11, 2014.

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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