

Klassen Preston
Form 4
January 08, 2019

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 *
Klassen Preston

2. Issuer Name and Ticker or Trading Symbol
ARENA PHARMACEUTICALS INC [ARNA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
01/04/2019

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP and CMO

C/O ARENA PHARMACEUTICALS, INC., 6154 NANCY RIDGE DRIVE

(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

SAN DIEGO, CA 92121

(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 | 01/07/2019 | | M | | 16,000 | A | \$ 15.1 |
| Common Stock | 01/07/2019 | | S ⁽¹⁾ | | 15,600 | D | \$ 41.6756 |
| Common Stock | 01/07/2019 | | S ⁽¹⁾ | | 400 | D | \$ 42.3175 |
| Common Stock | 01/08/2019 | | M | | 3,000 | A | \$ 15.1 |

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Stock

Common Stock 01/08/2019 S⁽¹⁾ 3,000 D \$ 44 0 D

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

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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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Employee Stock Option (right to buy) | \$ 40.94 | 01/04/2019 | | A | 75,000 | ⁽⁴⁾ 01/04/2026 | Common Stock |
| Employee Performance Restricted Stock Unit | ⁽⁵⁾ | 01/04/2019 | | A | 12,600 ⁽⁶⁾ | ⁽⁶⁾ 01/03/2022 | Common Stock |
| Employee Stock Option (right to buy) | \$ 15.1 | 01/07/2019 | | M | 16,000 | ⁽⁷⁾ 03/20/2024 | Common Stock |
| Employee Stock Option (right to buy) | \$ 15.1 | 01/08/2019 | | M | 3,000 | ⁽⁷⁾ 03/20/2024 | Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Klassen Preston
C/O ARENA PHARMACEUTICALS, INC.
6154 NANCY RIDGE DRIVE
SAN DIEGO, CA 92121

EVP and CMO

Signatures

/s/ Andrew J. Cronauer, as
Attorney-in-Fact

01/08/2019

__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 sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan established by the reporting person.

The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$41.10 to \$42.01, inclusive. The reporting person undertakes to provide Arena Pharmaceuticals, Inc., any security holder of Arena Pharmaceuticals, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in Footnotes 2 and 3 to this Form 4.

(2)

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$42.19 to \$42.36, inclusive.

(4) The options vest over four years, with 25% of the shares subject to the option vesting on January 4, 2020, and the remainder of the shares vesting monthly over the following three years in equal installments (except as otherwise necessary to avoid vesting of a fractional share), and are exercisable once vested.

(5) Each Employee Performance Restricted Stock Unit ("PRSU") represents a contingent right to receive shares of Arena's common stock, which shares shall vest, if at all, upon the closing price of Arena's common stock (the "Closing Price") reaching certain thresholds during the three-year performance period from January 4, 2019 through January 3, 2022 (the "Performance Period") and satisfaction of a continuing service requirement.

(6) The number of shares that may vest is based on the Closing Price during the Performance Period. If, on 5 consecutive or 10 non-consecutive trading days during the Performance Period, the Closing Price equals or exceeds \$60, \$67.50 or \$75, and the reporting person thereafter satisfies a continuing service requirement, the PRSUs are deemed vested at 50%, 100% or 200%, respectively, of the target amount reported in Column 7 (subject, in the event of a change of control, to additional vesting in circumstances where the per share transaction consideration falls in between the dollar values listed above), and the reporting person will receive at or following the time of vesting a number of shares equal to the achieved percentage multiplied by the total number of PRSUs. For the avoidance of doubt, shares may be issued following achievement of each price threshold, and the maximum number of shares that may be issued pursuant to the PRSUs equals 200% of the number of PRSUs reported in Column 5.

(7) The options vest over four years and are exercisable once vested. 25% vested and became exercisable on March 20, 2018. The remainder of the options vest in thirty-six equal monthly installments (except as otherwise necessary to avoid vesting of a fractional share), with the first installment vesting on April 20, 2018, and the thirty-sixth installment vesting on March 20, 2021.

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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