

PENNYMAC FINANCIAL SERVICES, INC.

Form 4

April 05, 2017

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 *
Walker David M

(Last) (First) (Middle)

C/O PENNYMAC FINANCIAL SERVICES, INC., 3043 TOWNSGATE ROAD

(Street)

WESTLAKE VILLAGE, CA 91361

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PENNYMAC FINANCIAL SERVICES, INC. [PFSI]

3. Date of Earliest Transaction (Month/Day/Year)
04/03/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chief Risk Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 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) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|------------|---|---|
| | | | | (A) or (D) | Price | | | | | |
| | | | | Code | V | Amount | | | | |
| Class A Common Stock | 04/03/2017 | | M | | 10,162 (1) | A | \$ 0 | 17,087 (2) | D | |
| Class A Common Stock | 04/04/2017 | | M | | 5,000 (3) | A | \$ 0 (3) | 5,030 | I | The Walker Trust 2002 Dated February 13, 2002, As |

| | | | | | | | | |
|----------------------------|------------|---|--------------|---|---------------------|-------|---|---|
| Class A Common Stock | 04/04/2017 | S | 5,000 (4) | D | \$ 16.289 (5) | 30 | I | Amended The Walker Trust 2002 Dated February 13, 2002, As Amended |
| Class A Common Stock | 04/05/2017 | M | 5,000 (3) | A | \$ 0 (3) | 5,030 | I | The Walker Trust 2002 Dated February 13, 2002, As Amended |
| Class A Common Stock | 04/05/2017 | S | 5,000 (4) | D | \$ 16.208 (6) | 30 | I | The Walker Trust 2002 Dated February 13, 2002, As Amended |

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 Underlying Security (Instr. 3) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Performance-Based Restricted Stock Units | \$ 0 (7) | 04/03/2017 | | A | 10,162 | (7) | (7) | Class A Common Stock |
| | \$ 0 (7) | 04/03/2017 | | M | 10,162 | (7) | (7) | |

Performance-Based
Restricted Stock
Units

Cl A Units of
Private Nat'l
Mortgage
Acceptance
Company, LLC

(3)

04/04/2017

M

5,000

(3)

(3)

Cl
Com
St

Cl
Com
St

Cl A Units of
Private Nat'l
Mortgage
Acceptance
Company, LLC

(3)

04/05/2017

M

5,000

(3)

(3)

Cl
Com
St

Nonstatutory Stock
Option (Right to
Buy)

\$ 21.03

06/13/2014 06/12/2023

Cl
Com
St

Nonstatutory Stock
Option (Right to
Buy)

\$ 17.26

02/26/2015 02/25/2024

Cl
Com
St

Nonstatutory Stock
Option (Right to
Buy)

\$ 17.52

03/03/2016 03/02/2025

Cl
Com
St

Nonstatutory Stock
Option (Right to
Buy)

\$ 11.28

03/07/2017 03/06/2026

Cl
Com
St

Nonstatutory Stock
Option (Right to
Buy)

\$ 18.05

03/06/2018 03/05/2027

Cl
Com
St

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Walker David M C/O PENNYMAC FINANCIAL SERVICES, INC. 3043 TOWNSGATE ROAD WESTLAKE VILLAGE, CA 91361 | | | Chief Risk Officer | |

Signatures

/s/ Derek W. Stark, attorney-in-fact for Mr.
Walker

04/05/2017

__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) Shares of Class A Common Stock acquired pursuant to the payout of a performance-based restricted stock unit granted to the Reporting Person on February 26, 2014.
- (2) The reported amount consists of 6,925 restricted stock units and 10,162 shares of Class A Common Stock. The restricted stock units are to be settled in an equal number of shares of Class A Common Stock upon vesting
- (3) Pursuant to the terms of an exchange agreement, Class A Units of Private National Mortgage Acceptance Company, LLC are exchangeable for shares of Class A Common Stock of the Issuer on a one-for-one basis, subject to customary conversion rate adjustments.
- (4) These shares of Class A Common Stock were sold pursuant to a 10b5-1 plan.
- (5) The price reported is the weighted average price of multiple transactions ranging from \$16.05 to \$16.55. The reporting person hereby undertakes to provide upon request to the SEC, the Issuer or a security holder of the Issuer the number of Class A Common Stock and the prices at which the transactions were effected.
- (6) The price reported is the weighted average price of multiple transactions ranging from \$15.95 to \$16.55. The reporting person hereby undertakes to provide upon request to the SEC, the Issuer or a security holder of the Issuer the number of Class A Common Stock and the prices at which the transactions were effected.
- (7) This award vested on April 3, 2017 and the payout of shares of Class A Common Stock pursuant to the award was determined based on the Issuer's total stockholder return (TSR) (50% of the award) and earnings per share (EPS) (50% of the award) for the period of January 1, 2014 through December 31, 2016 as measured against the target performance goals set by the Compensation Committee of the Board of Directors when the award was granted in 2014. The payout percentages for the TSR and EPS portions of the award were 0% and 89.9%, respectively.
- (8) This nonstatutory stock option to purchase 15,882 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of June 13, 2014, 2015 and 2016, subject to the Reporting Person's continued service through each date.
- (9) This nonstatutory stock option to purchase 28,216 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of February 26, 2015, 2016 and 2017, subject to the Reporting Person's continued service through each date.
- (10) This nonstatutory stock option to purchase 23,829 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 3, 2016, 2017 and 2018, subject to the Reporting Person's committed service through each date.
- (11) This nonstatutory stock option to purchase 27,771 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 7, 2017, 2018 and 2019, subject to the Reporting Person's committed service through each date.

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.