

ATHENAHEALTH INC
Form 4
December 11, 2008

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 *
KANE JOHN A

(Last) (First) (Middle)

**C/O ATHENAHEALTH, INC., 311
ARSENAL STREET**

2. Issuer Name and Ticker or Trading Symbol
ATHENAHEALTH INC [ATHN]

3. Date of Earliest Transaction
(Month/Day/Year)
12/09/2008

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

(Street)

WATERTOWN, MA 02472

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 12/09/2008 | | M | 18,750 A \$ 15.27 | 18,750 | D | |
| Common Stock | 12/09/2008 | | M | 1,250 A \$ 15.27 | 20,000 | D | |
| Common Stock | 12/09/2008 | | S | 20,000 D \$ 33.50 (1) | 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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right to Buy) | \$ 15.27 | 12/09/2008 | | M | 18,750 | 07/26/2007 07/26/2017 | Common Stock | 18,750 |
| Stock Option (Right to Buy) | \$ 15.27 | 12/09/2008 | | M | 1,250 | 07/26/2007 07/26/2017 | Common Stock | 1,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| KANE JOHN A C/O ATHENAHEALTH, INC. 311 ARSENAL STREET WATERTOWN, MA 02472 | X | | | |

Signatures

/s/ Daniel H. Orenstein
Attorney-in-Fact

12/11/2008

__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).

This price represents the weighted average of sales ranging from \$33.13 to \$33.75. Upon request by the Commission staff, the Issuer, or a (1) security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares sold at each separate price.

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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