

CYANOTECH CORP
 Form 4
 May 11, 2016

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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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 *
 Bailey Brent David

(Last) (First) (Middle)

300 SOUTH GRAND AVE., SUITE 4100

(Street)

LOS ANGELES, CA 90071-3151

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 CYANOTECH CORP [CYAN]

3. Date of Earliest Transaction (Month/Day/Year)
 03/31/2016

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)
 Former CEO and Director

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 (D) Price			
Common Stock	05/02/2016		A ⁽¹⁾	77,500 A \$ 0	77,500	D	
Common Stock	05/02/2016		F ⁽²⁾	29,033 D \$ 0	48,467	D	

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

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SEC 1474 (9-02)

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 3.04	03/31/2016		D ⁽³⁾	230,000	⁽⁴⁾	01/12/2021	Common Stock	230,000
Stock Options	\$ 3.82	03/31/2016		D ⁽³⁾	497,916	⁽⁵⁾	08/29/2021	Common Stock	497,916

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Bailey Brent David
300 SOUTH GRAND AVE., SUITE 4100
LOS ANGELES, CA 90071-3151

Former CEO and Director

Signatures

/s/ Brent D. Bailey 05/10/2016

**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) Grant of shares made pursuant to the Separation Agreement between the issuer and the reporting person, dated as of March 31, 2016 (the "Separation Agreement"), a copy of which is attached to and made a part of the issuer's Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) on April 4, 2016; transaction exempt from Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to Rule 16b-3 thereunder.
- (2) Shares withheld pursuant to the Separation Agreement to satisfy tax withholding obligations; transaction exempt from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 thereunder.
- (3) Disposition to the issuer of stock options pursuant to the Separation Agreement; transaction exempt from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 thereunder. As of March 31, 2016, 486,000 of such stock options were vested and 241,916 were unvested.
- (4) 81,000 stock options became exercisable on each of January 1, 2011 and January 1, 2013, and 68,000 stock options became exercisable on January 1, 2014.
- (5) 40,000 stock options became exercisable on January 1, 2014, and 108,000 stock options became exercisable on each of January 1, 2015 and January 1, 2016. 108,000 stock options were scheduled to become exercisable on January 11, 2017 and an additional 133,916 stock options were scheduled to become exercisable on January 11, 2018.

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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