

HEALTHWAYS, INC  
Form 4  
August 02, 2016

**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 \*  
LUMSDAINE ALFRED

(Last) (First) (Middle)  
701 COOL SPRINGS BOULEVARD  
(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
HEALTHWAYS, INC [HWAY]

3. Date of Earliest Transaction (Month/Day/Year)  
07/29/2016

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)  
Chief Financial 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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	07/29/2016		F	11,209 (1) D \$ 16.84	204,889	D	
Common Stock	07/29/2016		F	31,463 (2) D \$ 16.84	173,426	D	
Common Stock	07/29/2016		F	5,335 (3) D \$ 16.84	168,091	D	
Common Stock	07/29/2016		F	10,488 (4) D \$ 16.84	157,603	D	
Common Stock	07/29/2016		F	1,195 (5) D \$ 16.84	156,408	D	

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Common Stock	07/29/2016	M	75,000 (6)	A	(7)	231,408	D	
Common Stock	07/29/2016	F	27,193 (8)	D	\$ 16.84	204,215	D	
Common Stock						1,648	I	Held in 401(k)

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)	8. Price or Amount of Derivative Security (Instr. 3)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)
Market Stock Units	(7)	07/29/2016		M	75,000	(6)	(6)	Common stock	75,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LUMSDAINE ALFRED 701 COOL SPRINGS BOULEVARD FRANKLIN, TN 37067			Chief Financial Officer	

## Signatures

/s/ Alfred Lumsdaine  
08/02/2016  
\*\*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) Reflects 11,209 shares withheld to cover the payment of taxes following the vesting of 26,718 restricted stock units granted to the reporting person on July 1, 2015, which became vested in full in connection with the closing of the transactions contemplated by the Membership Interest Purchase Agreement, dated July 27, 2016, among Healthways, Inc., Sharecare, Inc. and Healthways SC, LLC (the "Purchase Agreement").

(2) Reflects 31,463 shares withheld to cover the payment of taxes following the vesting of 75,000 restricted stock units granted to the reporting person on September 24, 2015, which became vested in full in connection with the closing of the transactions contemplated by the Purchase Agreement.

(3) Reflects 5,335 shares withheld to cover the payment of taxes following the vesting of 12,717 restricted stock units granted to the reporting person on June 26, 2014, which became vested in full in connection with the closing of the transactions contemplated by the Purchase Agreement.

(4) Reflects 10,488 shares withheld to cover the payment of taxes following the vesting of 25,000 restricted stock units granted to the reporting person on December 2, 2010, which became vested in full in connection with the closing of the transactions contemplated by the Purchase Agreement.

(5) Reflects 1,195 shares withheld to cover the payment of taxes following the vesting of 2,847 restricted stock units granted to the reporting person on February 28, 2013, which became vested in full in connection with the closing of the transactions contemplated by the Purchase Agreement.

(6) Reflects the vesting (in connection with the closing of the transactions contemplated by the Purchase Agreement) at the "target" performance level of the market stock units ("MSUs") granted to the reporting person on September 24, 2015.

(7) Prior to vesting, each MSU represented a contingent right to receive one share of common stock of Healthways, Inc.

(8) Reflects 27,193 shares withheld to cover the payment of taxes following the vesting of 75,000 MSUs granted to the reporting person on September 24, 2015, which became vested at the "target" performance level in connection with the closing of the transactions contemplated by the Purchase Agreement.

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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