SHERIDAN THOMAS

Form 4

February 23, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

0.5

January 31, Expires: 2005

OMB APPROVAL

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Check this box

Form 5 obligations may continue. See Instruction

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * SHERIDAN THOMAS

(First)

(Middle)

2. Issuer Name and Ticker or Trading Symbol

HEARTLAND PAYMENT

5. Relationship of Reporting Person(s) to Issuer

SYSTEMS INC [HPY]

3. Date of Earliest Transaction

(Month/Day/Year) 02/22/2006

Director 10% Owner

(Check all applicable)

Chief Portfolio Officer

X_ Officer (give title Other (specify below)

C/O HEARTLAND PAYMENT SYSTEMS, INC., 90 NASSAU STREET

(Street)

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

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

PRINCETON, NJ 08542

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4) (Instr. 4)

(A)

Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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. Transactio Code (Instr. 8) | 5. Number of or Derivative Securities Acquired (A or Disposed (D) (Instr. 3, 4, and 5) | Expiration Da (Month/Day/Y | 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 Option (Right to Buy) (1) | \$ 9.275 | 02/22/2006 | | J(2) | 28,00 | 00 03/28/2005 | (3) | Common Stock | 28,000 | \$ 1 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | |
|---|---------------|-----------|-------------------------------|-------|--|--|
| coporting of most remove results | Director | 10% Owner | Officer | Other | | |
| SHERIDAN THOMAS C/O HEARTLAND PAYMENT SYSTEMS, INC. 90 NASSAU STREET PRINCETON, NJ 08542 | | | Chief Portfolio Officer | | | |

Signatures

/s/ Thomas Sheridan 02/23/2006

**Signature of Date
Reporting Person

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).
- The option (the "Option") was granted by Carr Holdings, L.L.C. ("Carr Holdings"), a New Jersey limited liability company owned and (1) managed by Robert O. Carr, Heartand Payment Systems, Inc.'s (the "Company") Chairman of the Board and Chief Executive Officer, and his wife, Jill A. Carr.
- (2) The Option was cancelled by mutual agreement of the registrant and Carr Holdings.
- The expiration date of the Option was the earlier of (i) 5:00 p.m., New York City time, on March 31, 2006, if the Company did not consummate an initial public offering of its common stock ("IPO"), or (ii) 5:00 p.m., New York City time, six months and 15 days after the consummation of the IPO, if the IPO occurred before March 31, 2006.
- The reporting person received \$361,900 as consideration for the cancellation, which was determined by subtracting \$9.275, or the exercise price per share of the option, from the closing price per share of the Company's common stock on the New York Stock Exchange on the last business day before the date of this letter, or \$22.20, and multiplying the difference by 28,000, the amount of shares remaining exercisable under the Option.

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.

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