

BAHL TRACY L  
Form 4  
November 04, 2011

**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 \*  
BAHL TRACY L

(Last) (First) (Middle)

C/O EMDEON INC., 3055  
LEBANON PIKE, SUITE 1000

(Street)

NASHVILLE, TN 37214

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Emdeon Inc. [EM]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/02/2011

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)  
Exec. Chairman, 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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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SEC 1474  
(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Code	V (A) (D)					
Stock Option (right to buy)	\$ 15.5	11/02/2011	D <sup>(1)</sup>	242,516		<sup>(2)</sup>	08/11/2019	Class A common stock	242,516
Stock Option (right to buy)	\$ 15.5	11/02/2011	D <sup>(1)</sup>	55,000		<sup>(3)</sup>	08/11/2019	Class A common stock	55,000
Stock Option (right to buy)	\$ 15.5	11/02/2011	D	257,369 <sup>(4)</sup>		<sup>(5)</sup>	08/11/2019	Class A common stock	257,369
Units of Limited Liability Co. Interest	<sup>(6)</sup>	11/02/2011	J	160,494 <sup>(7)</sup>		<sup>(8)</sup>	<sup>(6)</sup>	Class A common stock	160,494

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BAHL TRACY L C/O EMDEON INC. 3055 LEBANON PIKE, SUITE 1000 NASHVILLE, TN 37214	X		Exec. Chairman, Director	

## Signatures

/s/ Denise Ceule, Attorney  
in Fact 11/04/2011

\*\*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) Disposed of pursuant to the transactions contemplated by the Merger Agreement dated August 3, 2011 by and among the issuer, Beagle Parent Corp. and Beagle Acquisition Corp. (the "Merger"). All vested stock options were cancelled pursuant to the Merger in exchange for a cash payment equal to \$3.50 per share, the difference between the exercise price of the option and the \$19.00 per share cash consideration payable in the Merger.

(2)

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The stock options were scheduled to vest in equal annual installments over a three year period from the grant date of August 11, 2009; vesting was accelerated in connection with the Merger.

- (3) The stock options were scheduled to vest in equal annual installments over a three year period from the grant date of August 11, 2009; vesting was accelerated in connection with the Merger.

- (4) Represents the number of performance-contingent stock options that were cancelled pursuant to the Merger in exchange for a cash payment equal to \$3.50 per share, the difference between the exercise price of the option and the \$19.00 per share cash consideration payable in the Merger.

- (5) A total of 643,422 performance-contingent stock options were granted subject to a combination of time and performance vesting based on continued service through the third anniversary of the August 11, 2009 date of grant and the company's performance in fiscal years 2011 and 2012. As a result of the Merger, 257,369 of such stock options were "earned" and the balance was forfeited. Of the earned stock options, 50% were vested by their terms and vesting was accelerated for the remainder in connection with the Merger.

- (6) In accordance with the terms of EBS Master LLC's ("EBS Master") operating agreement, each vested Unit of EBS Master (an "EBS Unit") (along with a corresponding share of the issuer's Class B common stock) was exchangeable at any time for one share of the issuer's Class A common stock, or at the election of EBS Master, cash equal to the fair market value of the EBS Unit. The EBS Units did not expire and the reporting person was not required to pay an exercise price in connection with exchanges. The corresponding shares of Class B common stock provided the holder with one vote on all matters submitted to a vote of the issuer's stockholders but did not entitle the holder to any of the economic rights associated with shares of the issuer's Class A common stock.

- (7) Represents the number of vested EBS Units sold to EBS Holdco I, LLC, a wholly-owned subsidiary of the issuer, in connection with the Merger in exchange for a cash payment of \$19.00 per EBS Unit. In connection with the Merger, each share of Class B common stock corresponding to a vested EBS Unit was cancelled for no consideration.

- (8) Of the EBS Units (which were originally granted with corresponding shares of Class B common stock), 12,977 were vested as of the August 11, 2009 grant date and 64,886 were subject to vesting in unequal quarterly installments based on service through February 8, 2014 for which vesting was accelerated in connection with the Merger. A total of 206,578 EBS Units (and corresponding shares of Class B common stock) were granted subject to a combination of time and performance vesting based on continued service through the third anniversary of the August 11, 2009 date of grant and the issuer's performance in fiscal years 2011 and 2012. As a result of the Merger, 82,631 of such EBS Units (and corresponding shares of Class B common stock) were "earned" and the balance was forfeited. Of the earned EBS Units (and shares of Class B common stock), 50% were vested by their terms and vesting was accelerated for the remainder in connection with the Merger.

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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